HSC

Health and Safety Commission

Health and Safety Commission

Annual Report

and the Health and Safety Commission/Executive

Accounts 2004/05



Sensible risk management ... spreading the message

HSC's MISSION STATEMENT

To protect people's health and safety by ensuring risks in the changing workplace are properly controlled


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Health and Safety Commission

Annual Report

and the Health and Safety Commission/Executive

Accounts 2004/05

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Preface

Responsibility for the Health and Safety Commission (HSC) and the Health and Safety Executive (HSE) transferred to the Department for Work and Pensions (DWP) on 24 July 2002. From that date the Commission reports to the Secretary of State for Work and Pensions, and to other Secretaries of State for the administration of the Health and Safety at Work etc Act 1974 (HSW Act) throughout Great Britain.

From May 2005, the Rt Hon David Blunkett MP is the Secretary of State for Work and Pensions. Lord Philip Hunt of Kings Heath OBE is the DWP Parliamentary Under Secretary (Lords) with responsibility for occupational health and safety. The previous Secretary of State for Work and Pensions was the Rt Hon Alan Johnson MP and the Minister of State for Work was the Rt Hon Jane Kennedy MP.

Departmental responsibility for HSC/E previously lay with the Department for Transport, Local Government and the Regions, and before that (until June 2001) with the Department of the Environment, Transport and the Regions.

The HSW Act established HSC and HSE. HSC's primary functions include making arrangements to secure the health, safety and welfare of people at work and protecting the public against risks to their health and safety from work activities. The functions include proposing new laws and standards, conducting research and providing information and advice. HSE advises and assists HSC and together with local authorities (LAs) has day-to-day responsibility for enforcing health and safety law, investigating accidents, licensing and approving standards, in particular hazardous areas, and commissioning research.

Commission's duties

The Commission's statutory duties include:

- encouraging other people to secure safe and healthy working conditions;
- arranging for research and training to be carried out and encouraging others to undertake research and training;
- arranging for an advisory and information service for stakeholders;
- submitting proposals for regulations to ministers;
- paying to the Executive sums appropriate for it to perform its functions.

Commission's powers of actions

The Commission's powers of action are wide. They include anything necessary to help it advance these statutory duties. The primary role of the Commission is to give strategic direction to the work of HSE. It also has powers to:

- approve and issue Codes of Practice ('Approved Codes of Practice' (ACOPs)) with the consent of the Secretary of State, subject to consultation with government departments and other organisations;
- make agreements with any government department or person to perform HSC or HSE functions on HSC/E's behalf;
- make agreements with any minister, government department, or public authority for HSC to perform functions on their behalf;
- give mandatory guidance to LAs on enforcement;
- direct HSE or authorise any other person to investigate and report on accidents or other matters and, subject to regulations made by the relevant minister, direct inquiries to be held.

Commission Code of Practice

The Commission has adopted a Code of Practice, which the Chair and Commissioners follow. This conforms to Cabinet Office guidance. It sets out the responsibilities of the Chair and the corporate and individual responsibilities of Commissioners.

Openness

The Commission recognises that public access to health and safety information improves public understanding and strengthens public confidence in the health and safety system. The Commission has published a policy statement on access to health and safety information. As part of this commitment to openness, the Commission decided that from April 2005 its meetings would be open to observers. Details of meetings, together with agendas, papers, minutes and those of its advisory committees and sub-committees, are published on the internet, and can be found on the HSE website (http://www.hse.gov.uk).

Chair and members of the Health and Safety Commission: 2004/05

Chair



Bill Callaghan Appointment as Chair of HSC commenced on 1 October 1999. Bill was previously the Chief Economist and Head of the Economic and Social Affairs Department at the Trades Union Congress (TUC). He has served on the boards of Business in the Community and the Basic Skills Agency. He has a particular interest in developing partnerships between trade unions and employers at the workplace and at national level. He served on the Low Pay Commission 1997-2000, and was a member of the Economic and Social Research Council's Research Priorities Board. He is a Visiting Fellow of Nuffield College, Oxford. He became a magistrate in 2005.

Commissioners



Danny Carrigan Appointment commenced on 1 October 2004. Daniel has worked in public services, shipbuilding, construction and oil rigs. He has over 23 years' experience of representing employees and negotiation, through his union service for AMICUS (and its predecessors) as a regional officer, national officer, and regional secretary. He has worked on HSE advisory committees and on government advisory bodies. He holds one other current public appointment, serving as a member of the Young People's Committee on the Learning and Skills Council since 2003.



Margaret Burns CBE Appointment commenced on 1 April 1998. Margaret is a part-time tutor of public law at the University of Aberdeen. She has taught in the law faculties at Dundee and Glasgow Universities and at the Open University. She was formerly the Legal Advisory Officer for, and is now a member of, the Scottish Consumer Council, which nominated her for the Health and Safety Commission.



Judith Donovan CBE Appointed 1 October 2000. Judith is a Yorkshire businesswoman who founded her own direct marketing company in 1982. She was Chairman of Bradford Training and Enterprise Council 1989-97, and the first female President of Bradford Chamber of Commerce 1992-2001. She is Chairman of the Yorkshire Tourist Board, a director of the Northern Ballet Theatre, and a member of the Programme Monitoring Committee for Objective 2 Funding for Yorkshire and the Humber. She is also a Millennium Commissioner and Chairman of Postwatch for the North of England.



Cllr Joyce Edmond-Smith Appointment commenced on 1 April 1997. A member of Brighton and Hove Council, Joyce has been a councillor for 19 years. She was a member of the Association of District Councils (ADC) for eight years and has wide experience of environmental and health issues in local government. She has chaired the ADC's Environment and Health Committee, has been a member of Brighton and Hove Community Health Council and a member of the Local Agenda 21 Steering Committee. She is currently the Chair of Brighton and Hove Council's Sustainability Commission. She taught in further education for 20 years.



Judith Hackitt Appointment commenced 1 April 2002. Judith trained as a Chemical Engineer at Imperial College, London. She has been Director of Business and Responsible Care at the Chemical Industries Association (CIA) since 1998 and was appointed Director General of the CIA from 1 April 2002. Judith was previously employed as Group Risk Manager at Elementis PLC, with worldwide responsibility for health and safety insurance and litigation. She also served for three years as a non-executive Director of Oxfordshire Health Authority. She holds no other ministerial appointments nor is she engaged in any political activity.



John Longworth Appointment commenced 1 April 2003. Currently an Executive Director Asda accountable especially for External Affairs and Legal matters, John is also Group Company Secretary. Prior to joining the Asda Board, John was a Stores Board Director at Tesco where he held a number of diverse positions in corporate areas. In the 1980s, John was with the Co-operative Group, latterly as Head of External Affairs and Deputy Company Secretary and was involved in the Co-op Board, Marketing and Strategic Planning Developments.



Elizabeth Snape Appointment commenced 1 November 2003. Elizabeth worked as a legal officer with the union NALGO 1990-94. She then took on Equal Opportunities and European Policy Employment with UNISON, where she has been Head of Policy since 1999. Since 2001 she has been a member of the TUC General Council, and served as an executive member of the European Public Services Union since 1996. She has experience of workers' health and safety concerns from her work as a UNISON safety representative.



Hugh Robertson Appointment commenced on 1 April 2004. Hugh is Senior Policy Officer on Health and Safety at the TUC. He was formerly Head of Health and Safety and Bargaining Support with the trade union UNISON. He is also a member of the Industrial Injuries Advisory Committee and the Boards of the Faculty of Occupational medicine and the British Occupational Health Research Foundation.

Past Commissioners



George Brumwell CBE Appointment ran from 1 April 1998 to 31 October 2004. He is General Secretary of the Union of Construction, Allied Trades and Technicians (UCATT). He is a member of the Labour Party National Policy Forum and the TUC's Executive Committee and General Council. He is a long-time member of the Construction Industry Training Board (CITB) and a board member of the Construction Skills Certification Scheme (CSCS). He is an executive committee member of the European and International Federation of Building and Wood Unions and a board member of the Building and Civil Engineering Benefits Scheme.



Abdul Chowdry JP Appointment ran from 1 April 1999 to 30 March 2005. Abdul gained more than 34 years' experience as a health, safety and environment advisor at Turner and Newall plc (manufacturing), where he worked until August 1998. He is the Director of Blackburn/Darwen Racial Equality Council, and has been a magistrate since 1976. He was a Labour Councillor at Rochdale Metropolitan Borough Council 1972-98, where he chaired a number of committees including: Housing; Policy; and Economic Development. He was also a member of the Greater Manchester Police Authority 1986-98.

New Commissioners



Dr Sayeed Khan Appointment commenced 1 April 2005. Dr Khan is an accredited specialist in occupational medicine. He worked at Rolls-Royce plc for 10 years prior to joining EFF in 2002, where he is Chief Medical Advisor. He started work as a machinist, then trained and practised as a GP before qualifying in occupational medicine. He is on the BOHRF/FOM Scientific Committee, NHSplus Evidence-based Medicine Guidelines Advisory Group, DoH Sickness Absence Certification Project Advisory Board and was a member of the Continuous Improvement Programme Action Group (*Securing Health Together*).

The Commission's work during 2004/05

The Commission published its report on the first year of its Strategy in March 2005 (see paragraphs 48-55). Entitled *Workplace Strategy: Moving to Delivery*, it detailed how the Commission's Strategy, in the year since its launch in February 2004, was setting priorities and how resources were being directed to areas that could have the biggest impact on its targets.

It also provided a wealth of examples which showed how the Strategy's four themes were shaping HSE's approach and directly determining outputs, such as closer working with LAs, to focus resources on agreed health and safety targets.

The Commission recognised challenges as well as celebrating successes. Its key messages included:

- the Strategy has been well received by ministers and stakeholders alike;
- HSE has made major changes to its working methods to become an organisation centred around delivery. A clear link between the Strategy, resources and outputs has been established;
- the Strategy is a long-term commitment and we are only at the start of the process - some big challenges lie ahead;
- not least of these challenges is that of culture change - both internal and external;
- concerns regarding HSE's commitment to enforcement have been, and continue to be, rebutted; and
- the Strategy's first-year objectives (the 'early deliverables') have been met and a new set drawn up.

Changing ways of working

The Commission has further developed ways of championing and supporting delivery of the Strategy, taking an increasingly proactive approach in communicating HSC's vision at public events. Examples include:

- chairing and involvement in the steering group (which includes LA-elected members for England, Scotland and Wales) for the Local Authorities and HSE Working Together Strategic Enabling Programme;
- establishing and chairing a Small Business Forum with representation from small business trade associations aiming to ensure that the 'voice' of small business is heard by HSC/E;
- developing and chairing the steering committee for the Health and Safety at Work in Scotland Forum;
- speaking at a wide range of conferences, seminars, workshops etc;
- hosting fringe events at political party conferences.

The Commission held its first open meeting in October 2004 when a large audience heard Commission members debate current issues. The success of this event confirmed the Commission's aim to be as transparent and open as possible. They decided that from April 2005 all their business meetings should be made open to the public. In addition, they would hold one meeting a year where stakeholders could debate with them.

Members of the Health and Safety Executive

Director General



Timothy Walker CB Director General since 1 October 2000. Previously an academic scientist, Timothy taught physics and chemistry at various universities. He worked at the DTI, was Principal Private Secretary to successive Secretaries of State for Trade and Industry, and held the posts of Governor of International Atomic Energy Agency (IAEA), Chairman of the EBRD Nuclear Safety Account, Home Office Director General for Immigration and Nationality and Deputy Chairman of HM Customs and Excise. He is a lay member of the Council of the University of Warwick and a council member of the Institute of Employment Studies.

Deputy Director General (Operations)



Justin McCracken Justin took up post as Deputy Director General (Operations) on 1 April 2002. Based at the Merseyside Centre, he is responsible for all of HSE's operational divisions. A physics graduate, he joined ICI in 1976 as a research scientist, moving into process development and plant management, then onto marketing and business management in the UK and overseas, culminating in worldwide responsibility for ICI's catalyst business. In 1998, he joined the Environment Agency as North West Regional Director. He is a trustee of the British Safety Council.

Deputy Director General (Policy) From September 2004*



Jonathan Rees Jonathan succeeded Kate Timms as Deputy Director General (Policy) on her retirement in September 2004, and is responsible for the strategy, policy, communications and legal directorates, and delivery of HSE's targets for improving conventional health and safety. Previously he was a director of Consumer and Competition Policy at the DTI, director, Modernising Public Services Group in the Cabinet Office, and a member of the Prime Minister's Policy Unit 1994-97. He has been seconded to the European Commission and worked in the UK Permanent Representation in Brussels.

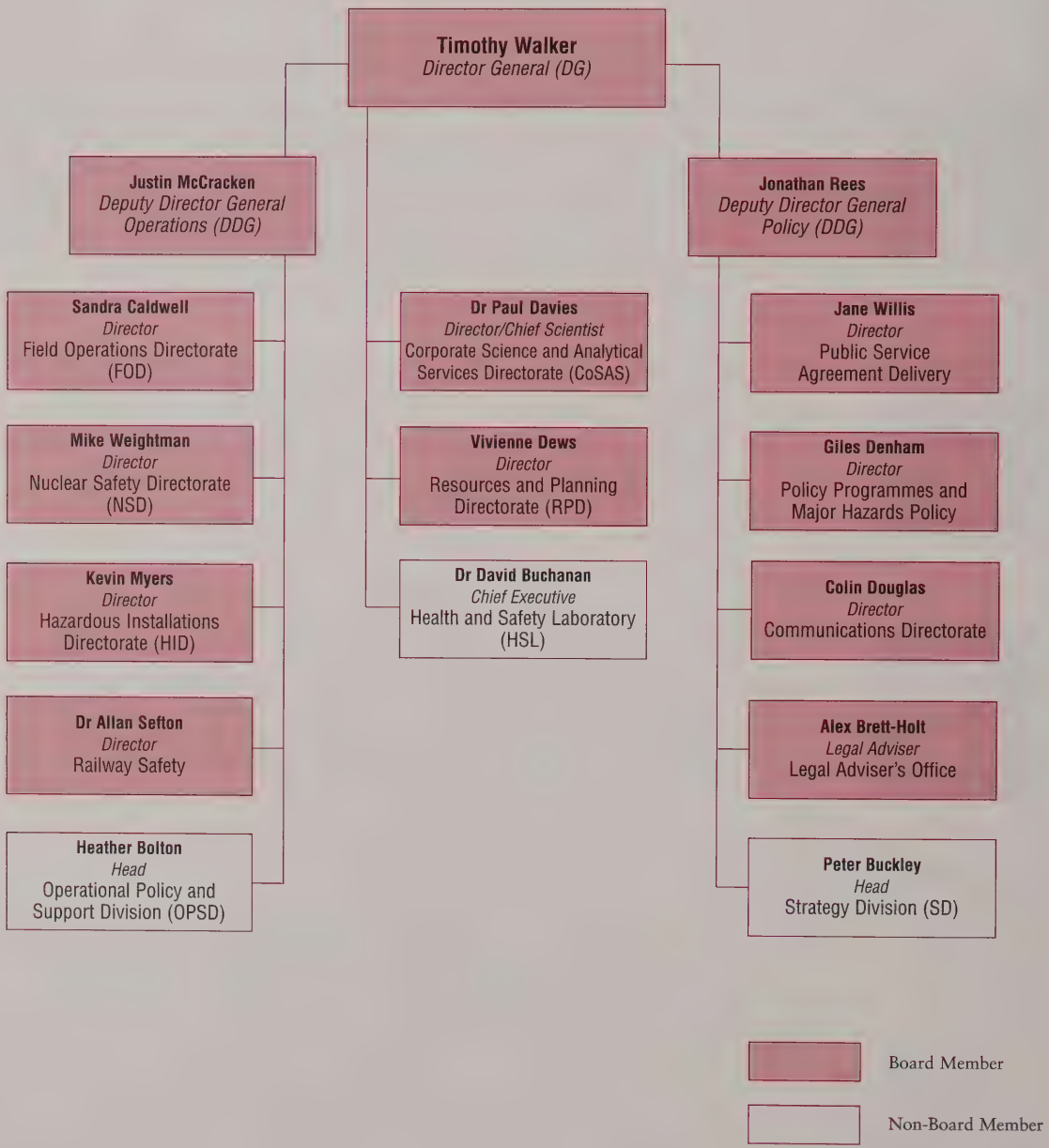
* Deputy Director General (Policy) until September 2004: Kate Timms CB

Register of Interests

A copy of the Register of Interests relating to members of the Health and Safety Commission and the Health and Safety Executive can be obtained by contacting the HSC Secretariat at the following address: The HSC Secretariat, Rose Court, 2 Southwark Bridge, London SE1 9HS or phoning 0207 717 6642.

Health and Safety Executive structure

May 2005



Chair's foreword

The highlight of last year's Annual Report was the publication of the Commission's *Strategy for workplace health and safety in Great Britain to 2010 and beyond*. The main theme of this year's Report is the work to implement that Strategy.

The Strategy has been influential. The endorsement of the Commission's Strategy by the Hampton review was particularly welcome, as was the support for higher penalties. We must continue to seek and maintain the right balance of enforcement and advice. This year has also seen the start of consultation with our stakeholders on how to best place our intervention resources. Leading from this we hope to achieve a more efficient and effective targeted interventions programme.

We must work closer with LAs and ensure that we both target the right areas, with the appropriate level of intervention required. The high-level Statement of Intent agreed with LAs has set out our joint commitment to partnership working. Leading from this local and regional partnership arrangements are being formed to best place resources to agreed priorities.

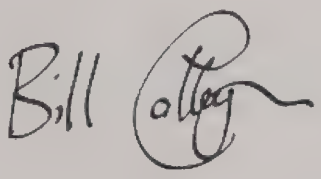
A further highlight of the past year has been the advertising campaign promoting the business case for better health and safety and the publication of case studies on director leadership. The Commission has also stressed the importance of worker involvement through a collective declaration and development of the Workers' Safety Adviser Challenge Fund.

So while we can point to some significant achievements there are challenges ahead. We face a major challenge on occupational health. Working in partnership with LAs, the National Health Service (NHS) and DWP we have made further progress towards delivering occupational health, safety and return to work (OHSR) support in the workplace. Local pilots such as the *Better Health at Work* partnership and *Constructing Better Health* have begun to provide OHSR support to those who most need it. A larger scale programme, Workplace Health Direct, complementing DWP's *Pathways to work*, is being prepared.

In addition, the challenges of meeting our targets for improving health and safety remain. We can see a marked improvement in some sectors, such as construction, paper and board, and food and in dealing with some hazards such as musculoskeletal disorders. In other areas progress has not been made. In tackling these areas we need to continue to work in partnership. The Ministerial Task Force on Health, Safety and Productivity provides the basis for a sustained improvement in the public service.

A final challenge is communicating our core message to seek sensible management of risks, not a risk-free society. We have worked in the past year with the Better Regulation Task Force and the Department of Constitutional Affairs in tackling the alleged 'compensation culture.'

In July 2004 the Government announced the outcome of the Rail Review. The Commission was disappointed with the decision to move rail safety to the Office of Rail Regulation (ORR) but was glad that HSC/E's positive contribution to rail safety was recognised and we are determined to make the transition of HMRI to ORR a smooth and timely one.



Bill Callaghan
Chairman
Health and Safety Commission

Director General's foreword

This is my last Annual Report as Director General of the Health and Safety Executive and I am pleased to report that much has been achieved over the last year with the Strategy being taken forward in a very positive way. This is of course a tribute to the hard work and commitment of staff throughout the organisation. It is because of them that HSE continues to make a difference to the lives of working people, and has helped Great Britain to achieve one of the best safety records in Europe. Opinion surveys do indeed show a large majority of both employers and employees have a favourable impression of HSE and our peers in Europe welcome our active participation.

As Bill's foreword shows, the Strategy has given us a very good base for setting out how we intend to achieve our targets. Our work is changing as the workforce changes its characteristics and becomes more diverse. Health issues, not least MSDs and stress, are the largest contributor and provide real challenges. Our work on the development of stress standards has been widely welcomed and we aim to establish partnerships with around 100 organisations to build on this experience and help them prevent the incidence of new cases as well as deal successfully with existing ones.

As well as our work designed to deal with specific health and safety hazards, we have brought together our supporting work into a series of enabling programmes which will give greater coherence for our efforts to improve worker and employer involvement in health and safety issues. The launch of a second tranche of worker safety adviser projects is one example of how we are tackling these issues. Another important innovation is the Enforcement Programme which will look rigorously at all our enforcement to identify how best it can be used to improve health and safety.

We are putting extra effort into the evaluation of our interventions and this is reflected in the new science strategy, the subject of recent consultation. We are also currently piloting a new workplace health and safety survey which will yield much rich detail of what helps improve health and safety in the workforce.

Our work is also progressing in the major hazards area where we have experience of the first year of operational targets for reducing the precursors to potential major accidents. We remain on track to deliver the targets in the offshore, onshore and nuclear industries.

There has been one change in the Executive in the year with the retirement of Kate Timms. We are very grateful for her contribution and wish her well for the future. We welcome her successor, Jonathan Rees, who joins us from the Department of Trade and Industry.

Finally I have been extremely proud to lead HSE over the last five years, and continue to be impressed with the dedication and professionalism which HSE staff display. I wish my successor and all in HSE every success in meeting the challenges ahead.



Timothy Walker CB
Director General
Health and Safety Executive

Snapshot of HSE in 2004/05

This section provides snapshot examples of some of the significant events or developments that occurred during 2004/05. Further details can be found on HSE's press release webpage: http://www.hse.gov.uk/press/press.htm.

April 2004

Survey reveals public vote of confidence in health and safety

Three out of four employers say health and safety requirements benefit their companies as a whole, according to a MORI survey published by HSE on 28 April. The survey, of 3000 members of the working and non-working public and 500 employers, found that employers rate health and safety in their top two most important workplace issues. Most employers see health and safety as good for business and disagree that it puts a strain on profits.

Attitudes towards health and safety: a quantitative survey of stakeholder opinion by MORI Social Research Institute can be accessed on the HSE website at: http://www.hse.gov.uk/research/misc/attitudes.pdf.

Consultation on new noise and work regulations

HSC published a consultative document on new proposed regulations and guidance to implement the European Physical Agents (Noise) Directive. The regulations are about protecting workers from exposure to noise, which is still a problem in many industries. It is estimated they will extend protection to around one million new workers. Noise can induce deafness or persistent ringing in the ears (tinnitus). Once damage is done it is permanent, and may affect quality of life; but it can be prevented.

May 2004

Protecting workers from asbestos: A legal duty

Asbestos is the biggest occupational health risk ever faced by workers in Britain and about half a million buildings from the 1950-80 period still contain it. Protection for building and maintenance workers from the fatal diseases caused by asbestos was enhanced on 21 May when the new duty to manage came into force. The duty requires anyone responsible for the maintenance of commercial, industrial or public properties or for the common areas of domestic properties, to check for asbestos and properly manage the risk. Effective compliance with this new duty will help save about 5000 lives. More information on asbestos is available on HSE's website: http://www.hse.gov.uk/asbestos.

Factory explosion in Glasgow

HSE, together with the police and the Procurator Fiscal's office, began the investigation into the explosion that occurred in a plastics factory in Maryhill, Glasgow. The explosion, on 11 May 2004 when nine workers died and over 30 were injured, was the largest industrial accident in Scotland since Piper Alpha.

June 2004

HSE construction campaign

Falls, transport and lifting incidents account for over 70% of all fatal injuries in construction, and almost 300 people died from these causes in the previous five years. The FaTaL Risks Campaign during June focused on reducing the number of fatal and serious injuries in the industry. HSE site inspections concentrated on:

- F falls arising from work at height; and
- T transport on site including mobile plant and vehicles; and
- L lifting heavy loads with cranes and other lifting machines.

Improvements in construction design

Also in June, HSE reported encouraging signs that designers in the construction industry were becoming increasingly aware of their responsibilities to design out health and safety risks. This followed findings of an inspector site visit initiative which compared favourably with one undertaken the previous year. Further details can be found at: http://www.hse.gov.uk/construction.

July 2004

HSE publishes new guidance on accident investigation

HSE published new guidance on how to investigate accidents and incidents, primarily for small to medium-sized enterprises (SMEs) where it is often difficult to build up an expertise in investigating. This guidance is aimed at helping them to find out what went wrong, learn lessons and take action to reduce, or hopefully prevent, accidents in the future.

Copies of *Investigating accidents and incidents: A workbook for employers, unions, safety representatives and safety professionals* HSG245 ISBN 0 7176 2827 2 are available from HSE Books, priced £9.50.

Work and Pensions Select Committee report on the work of HSC/E

The Work and Pensions Select Committee's report on the work of HSC/E was published on 25 July. The Committee believes HSE is a high-quality organisation and recognises that Great Britain has one of the best safety records in Europe. The report can be found at: http://www.publications.parliament.uk/pa/cm200304/cmselect/cmworpen/456/45602.htm

August 2004

Asbestos investigation

On 3 August, a Nuneaton company and its officers were fined a total of £245 000 in relation to the removal of asbestos, following an investigation by HSE. The inspector who attended the scene, after being alerted by a worker, found one of the worst situations she had ever come across. This was not only in relation to the asbestos risks, but because work was allowed to go ahead despite the concerns of the workforce.

Construction Health and Safety Roadshow launched in Glasgow

On 30 August, George Brumwell, Health and Safety Commissioner and General Secretary of UCATT, launched the 2004 Working Well Together (WWT) Health and Safety Roadshow at Glasgow Harbour, an area undergoing major redevelopment in Scotland. In its sixth year, the WWT Roadshow has reached over 25 000 workers with its health and safety messages.

HSE brewing up worker interest in offshore safety

HSE's Offshore Division (OSD) launched a new information sheet, *Tea-shack News*, aimed at giving offshore workers the latest safety news direct from HSE. Working in partnership with employers and the unions has brought some very positive progress towards better health and safety performance offshore.

September 2004

Infoline fields two millionth enquiry

HSE's public enquiry contact centre, Infoline, handled its two millionth enquiry in September. Set up in July 1996 as a 'one stop shop', Infoline provides enquirers with rapid access to HSE's wealth of health and safety information, and access to expert advice and guidance.

The Infoline service is open to the public from 8.00 am to 6.00 pm. Enquirers can contact Infoline by telephone, e-mail, textphone, fax or letter or by completing Infoline's *Ask an Expert* enquiry form on the HSE website (http://www.hse.gov.uk/contact).

Local authorities and HSE unveil ground-breaking Statement of Intent

A new partnership intended to capture the full potential of HSE and LAs working together, was embodied in a high level Statement of Intent, endorsed by LA political leaders and HSC/E in July and launched in September. This was a significant milestone in the process to give greater recognition to the essential role of LAs in improving workplace health and safety for millions of workers and the public, and meets the commitment given in the Commission's *Strategy for workplace health and safety in Great Britain to 2010 and beyond.*

HSE and Kent's local authorities joined forces for transport safety campaign

On 28 September Bill Callaghan announced a partnership initiative between HSE and local authorities in Kent to run the country's largest-ever workplace transport safety campaign. Workplace transport incidents are the biggest cause of deaths in agriculture and food industries. Between 1992 and 2002, 44 farmers and 30 employees were killed in transport-related incidents across the country.

Practical guidance for homeworking

Work-related incidents can affect not just homeworkers, but others in their home, including children and visitors. This means that relatively minor hazards can become significant risks. In September, HSE published a report on homeworking, providing a series of good-practice case studies, which, together with existing guidance, offers practical assistance for employers and homeworkers. Copies of the report can be downloaded from the HSE website at: http://www.hse.gov.uk/research/rrhtm/rr262.htm.

HSC consults on how it influences workplace health and safety

On 30 September HSC published the online consultation document *Regulation and recognition: towards good performance in health and safety* on the methods used by HSE and LAs to influence health and safety standards in the workplace. The consultation

document examined and sought views on the value of a range of intervention techniques including inspection, investigation, partnership working and sector-wide initiatives.

October 2004

HSC looks to the future

On 12 October HSC held an open meeting at the Mermaid Conference Centre, Blackfriars, London to coincide with the 30th anniversary of the Health and Safety at Work etc Act. This was the first time that Commission business has been discussed in full view of the public and was an opportunity to open the work to ordinary members of the public and those dealing with health and safety on a day-to-day basis.

HSE says work is good for you

When you're off sick, returning to work as soon as possible may help you get well. And staying at home longer than you absolutely need to could actually make you worse. These were two recommendations of guidance published by HSE to explain how employers and employees can work together to hasten a successful return to work. The Confederation of British Industry (CBI) estimates that 33% of working days lost due to sickness are accounted for by long-term sickness absence at a cost of £3.8 billion a year. HSE's guidance offers a practical step-by-step approach to managing sickness absence and getting people back to work quickly.

HSE targets manufacturing industries

On 27 October HSE launched a new enforcement-led campaign to reduce the unacceptable high number of fatal and serious injuries that continue to occur in manufacturing industries. Over the next three years HSE inspectors will target scrap metal, rubber, paper and wood industries to ensure that correct procedures are in place for working on machinery. During the previous three years, over 40 people had died as a result of incidents in the manufacturing industry, most commonly when cleaning machinery blockages or carrying out running repairs without the correct safeguards.

Work and Pensions Select Committee report: Government response

The Government's response to the Select Committee report on the work of HSC/E was published on 27 October. The introduction endorses the Commission's Strategy and explains the Government approach to risk management and targeting of resources. The main text then responds to each of the Committee's 35 recommendations. The Government response can be found at: http://www.publications.parliament.uk/pa/cm200304/cmselect/cmworpen/1137/1137.pdf.

New business benefits of health and safety web pages

The web pages, launched on 4 October, featured three new case studies illustrating the business benefits of managing health and safety effectively. The benefits seen by the companies in the case studies included increased productivity, lower insurance costs, less absenteeism, better staff retention and morale, improved reputation and reduced liability claims (http://www.hse.gov.uk/businessbenefits).

November 2004

New online Slips Assessment Tool (SAT) launched

This tool was launched to help users to evaluate potential risks from slipping hazards in the workplace. Slips and trips are the most common cause of major injuries at work. They occur in all workplaces, 90% of all major injuries caused by slips and trips result in broken bones and they can also be the initial causes for a range of other accident types such as falls from height. SAT is easy to use and full instructions are included with the software package, which can be downloaded from HSE's *Slips* webpage at: http://www.hsesat.info. Users will need to purchase a surface roughness meter.

Helping business cut the cost of work-related stress

On 3 November HSE launched a new approach to help employers work with their employees to manage the risks from work-related stress. This includes:

- a benchmarking tool to help managers gauge stress levels, compare themselves with other organisations, and work with employees to identify solutions; and
- Management Standards which define the characteristics of an organisation where stress is managed effectively.

At over 13 million days a year, work-related stress is the biggest occupational cause of working days lost through injury or ill health. With an average of 29 days lost per case, it costs society about £3.7 billion a year. In 2001/02, over half a million individuals in Britain experienced work-related stress at levels that made them ill.

Ufton Nervet derailment - HSE investigates

On 6 November seven people were killed and 37 taken to hospital following the derailment at Ufton level crossing. HSE investigated together with the police. The HSE investigation focused on the railway aspects of the derailment and HSE published its interim report on 10 November. *Train derailment at Ufton level crossing, near Ufton Nervet, Berkshire, HSE interim report* is on the HSE website at: http://www.hse.gov.uk/railways/uftonnervet/interim.pdf.

December 2004

Language barriers mean new dangers at work

Concern that migrant workers could be missing out on crucial health and safety training because their employers are not providing safety material in any language other than English prompted HSE and TUC to produce new safety information translated into 21 different languages. *Your health, your safety: A guide for workers* provides information about safety rights at work, the level of safety training that workers should expect from their employers, and who they should complain to if they believe their safety is being compromised by poor workplace practices.

Worker Safety Adviser (WSA) Challenge Fund second round opened for business

Bill Callaghan, HSC's Chair, announced the opening of the second round of the WSA Challenge Fund. The fund is designed to help build partnerships that drive safety and health improvements. Operated by HSE, it will run between April 2005 and March 2007 and focuses on small firms and organisations that lack such arrangements. Increasing worker involvement has been shown to improve health and safety performance and is a key part of the Commission's Strategy. The application form and details of how to apply can be found at: http://www.wsa-cf.org.

January 2005

New Freedom of Information (FOI) website

The FOI website (http://www.hse.gov.uk/foi) was unveiled on 4 January to coincide with the first working day of the new FOI Act. This website provides the means for the public to both access information as it becomes available and to request information not already published.

New web-based tool to help small businesses

This Health and Safety Performance Indicator (the Indicator) was developed to help SMEs track and assess how well they are managing their own health and safety performance. It is also intended to help companies tell their insurers how well they are managing health and safety, so insurers can more accurately calculate insurance premiums based on individual performance. Supported by the DTI's Small Business Service, the Indicator can be accessed at: http://www.hspi.info-exchange.com.

February 2005

The business case for health and safety

HSE launched a campaign to persuade businesses that sensible health and safety management is not only beneficial for staff but good for their bottom line as well. The national advertising campaign was backed up by a new website: http://www.hse.gov.uk/betterbusiness.

It cites a range of companies who have applied a managed approach and reaped the benefits in terms of improved profitability. The studies highlight the contribution that good communications, sound training and development and meaningful worker involvement all make - and that managing health and safety cannot be viewed in isolation from managing a business overall.

Secretary of State announces advice and support for small businesses

Secretary of State Alan Johnson announced Workplace Health Direct as part of the launch of the DWP Five-Year Plan which sets the Department's direction for the next five years and beyond. Workplace Health Direct will provide occupational health, safety and return to work advice and support to SMEs, via a helpline and a series of regional pilots. A roadshow explaining the proposed pilots toured England and Wales in March 2005. The pilots are due to start in early 2006.

Construction industry renews its determination to health and safety commitments

Senior executives and union representatives from across the construction industry met at a Construction Health and Safety Summit in London to review progress on the health and safety commitments given at the Construction Summit in 2001, to celebrate successes, and to commit to further action to further improve the industry's health and safety performance.

March 2005

HSE team short-listed for prestigious award

An HSE project team was short-listed in the Public Servants of the Year Awards 2005 for developing free interactive software that helps farmers carry out their own risk assessments and raises levels of health and safety awareness in the industry. The HSE's farming software was launched in late 2004. It can be downloaded from the HSE website at: http://www.hse.gov.uk/agriculture/assessment.

Waste and recycling industry initiative to reduce injuries

HSE launched a three-year initiative with the waste and recycling industry to address the high number of fatal and serious incidents that occur during collection and processing of municipal waste and recycling activities.

At initial visits, inspectors looked at policies and control measures in place and how these were managed, and will follow up one year later to check that employers required to produce an action plan of improvements have carried these out.

Part 1

Health and Safety Commission
Annual Report 2004/05

Operating and financial review

Mission: To protect people's health and safety by ensuring risks in the changing workplace are properly controlled.

Vision: To gain recognition of health and safety as a cornerstone of a civilised society, and with that achieve a record of workplace health and safety that leads the world.

1 The preamble to the *Health and Safety Commission Annual Report and the Health and Safety Commission and Executive Accounts 2004/05* includes details of the department with responsibility for HSC/E and its ministers, an analysis of the business of HSC (its aims and objectives), the Commission's duties and powers of action, and members of HSC/E.

Operating review

2 Part 1 of the Report describes the work of HSC/E during 2004/05. During this period, HSC's *Strategy for workplace health and safety in Great Britain to 2010 and beyond* (the Commission's Strategy) directed HSE's work. The *HSC Business Plan 2004/05* put the Commission's Strategy into practice.

Workplace health and safety targets

3 A feature of both documents is delivering the national targets for health and safety launched by the Government and HSC in June 2000 - the *Revitalising Health and Safety (Revitalising)* targets. DWP has adopted the *Revitalising* indicators (incidence rates of injury, ill health and working days lost), together with indicators for major hazard industries, in a new Public Service Agreement (PSA), arising from the 2004 Spending Review (SR2004). Also in 2000, the Commission, Government and other stakeholders launched a long-term strategy to improve occupational health: *Securing Health Together.*[*] See Figure 1.

[*] The health-related targets in *Revitalising* and additional targets by 2010 (see http://www.ohstrategy.net)

The Commission's Strategy

4 The *Revitalising* targets stimulated a new approach in HSC and HSE to delivering improvements in workplace health and safety, but it became clear that more had to be done to mobilise the whole health and safety system if the targets were to be achieved. The Commission's Strategy, published in February 2004, provides a clear direction for HSC, HSE, LAs and other stakeholders in the health and safety system to help realise the vision and achieve the targets. Importantly, it identifies four high-level themes HSE must address to achieve these ends:

- partnership working;
- effective health and safety management;
- focusing on core business; and
- communicating effectively.

The Business Plan

5 The Commission's Strategy informed the Business Plan for 2004/05, which set out what HSE would do in the year, alongside LA enforcement partners and other key stakeholders, to deliver the targets, the Strategy and the vision. The Plan focused on five new Strategic Programmes, which reflected the Strategy's high-level themes:

- Major Hazards;
- Health and Safety Hazards;
- Sectors;
- Local Authorities; and
- *Better Health at Work* Partnership.

6 The Plan also included details of a number of supporting activities that enable delivery of the targets and fulfil HSC/E's statutory functions.

Revitalising Health and Safety targets

By 2010 (compared to the average for 1999/2000):

- reduce the number of working days lost per 100 000 workers from work-related injury and ill health by 30%;
- reduce the incidence rate of fatalities and major injuries by 10%;
- reduce the incidence rate of cases of work-related ill health by 20%; and
- achieve half the improvements under each target by 2004 (also DWP's PSA target following the Government's Spending Review 2000).

SR2004 Public Service Agreement

By 2008, improve health and safety outcomes in Great Britain, through progressive improvement in the control of risks in the workplace. The targets are by 2008:

For **occupational health and safety** (against a 2004/05 baseline):

- to reduce the incidence rate of fatal and major injuries by 3%;
- to reduce the incidence rate of work-related ill health by 6%;
- to reduce the number of working days lost per 100 000 workers from injury or ill health by 9%.

For **major hazard industries,*** (against a 2001/02 baseline):

- a 7.5% reduction in the number of events reported by licence holders, which HSE's Nuclear Installations Inspectorate (NII) judges as having the potential to challenge a nuclear safety system;
- a 45% reduction in the number of major and significant hydrocarbon releases in the offshore oil and gas sector;
- a 15% reduction in the number of relevant RIDDOR-reportable** dangerous occurrences in the onshore sector.

Figure 1 National targets for health and safety

* HSE's work on rail safety is included in HSE's plans until it transfers to ORR in December 2005. Monitoring of targets for Rail during 2004/05 is described in the section *Major Hazards Strategic Delivery Programme*

** Reporting of Injuries Disease and Dangerous Occurrences Regulations 1995 (RIDDOR)

Principal activities in pursuance of the aims and objectives

Programme working

7 In order to implement the Commission's Strategy, HSE started to realign its work into programmes in 2003/04, bridging both policy and operational functions. During 2004/05, we closely monitored developments with the programme structures, and saw the need to make organisational changes to ensure we are in the best position to deliver the targets and our contribution to the Commission's Strategy. We have eliminated overlapping elements, rationalised supporting programmes and reorganised and revisited how the targets are shared between component programmes. The structure to emerge, which we will now take forward, comprises:

- two Strategic Delivery Programmes (SDPs) as the main agent for delivery:
  - **Fit for work, Fit for life, Fit for tomorrow (Fit3):** largely comprising merged elements of the Health and Safety Hazards and Sector Strategic Programmes, the structure is aligned with the occupational health and safety components (injury, ill health and days lost) of the PSA target; and
  - **Major Hazards:** which focuses on HSE's work in regulating and assuring safe management of those industries where failure to manage risks to health and safety could have catastrophic effects;
- four Strategic Enabling Programmes (STEPs):
  - **Local Authorities and HSE Working Together;**
  - **Business Involvement;**
  - **Worker Involvement;** and
  - **Enforcement.**

8 Each Strategic Delivery Programme continues to reflect the Strategy's four high-level themes, but the Strategic Enabling Programmes implement each theme specifically.


Government objectives for employment, productivity, health and rehabilitation, including *Revitalising Health and Safety and Better Regulation*
DWP's PSA target 5 (of 10)
By 2008, improve health and safety outcomes in Great Britain through progressive improvement in the control of risks from the workplace
Reduce ill health, injury and days lost
Control major hazards
HSC Strategy to 2010 and beyond
Helping people benefit from effective health and safety management
Communicating effectively
Developing closer partnerships
Focusing on our core business by being clear about priorities
HSC three-year Business Plan
Fit3 Strategic Delivery Programme
Strategic Enabling Programmes
Major Hazards Strategic Delivery Programme
Worker Involvement Programme
Business Involvement Programme
LA/HSE Partnership Programme
Enforcement Programme
Policy Programme (*Better Regulation*)
Efficiency, Economy and Productivity Programme

Figure 2 Links between SDPs, STEPS and the Commission's Strategy

9 The Field Operations Directorate (FOD) is HSE's largest operational arm, and the majority of FOD's resource is allocated to the Fit3 Strategic Delivery Programme. This targeted FOD front-line resource is one of the key interventions used to help deliver the targets. It includes both proactive and reactive work, including targeted inspections and campaigns, and responding to those incidents that meet the incident selection criteria.

10 The Enforcement STEP aims to ensure the appropriate, effective, efficient and targeted use of prosecution, Crown censure and enforcement notices in delivering the injury and ill-health targets.

11 And finally, we have recently formed a Policy Enabling Programme, which takes forward all policy work not related to these Strategic Programmes, eg application of the Government's *Better Regulation* principles.

Supporting HSE's programme delivery

12 HSE undertakes a range of activities that underpin and support the Strategic Programmes' work. These can be identified under two headings:

- **activities** that enhance the Strategic Programmes, such as strategy and intelligence, business improvement and efficiency. Two key areas of support are communications and stakeholder engagement (key themes from the Commission's Strategy), and science and technology;
- **functions** imposed upon HSC/E by the HSW Act, such as drafting and modernising legislation, and providing guidance, information and advice.

13 HSC/E manages all this work in a way that supports delivery of the Commission's Strategy and the targets.

14 In addition, HSE manages its business (staff training and development, information technology, monitoring of business risk etc) and takes forward centrally driven initiatives such as implementing the Race Equality Scheme.

15 Inspectors enforce the law in accordance with the HSC Enforcement Policy Statement (EPS). The EPS includes criteria and procedures selected for use when investigating RIDDOR incidents and complaints. HSE's *Health and Safety Offences and Penalties Report** provides an annual report of enforcement action.

16 The prime tool for managing corporate performance is HSE's Balanced Scorecard, a quarterly report to HSE's Board providing strategic oversight of delivery in a number of key areas.

Efficiency measures

17 HSE manages a co-ordinated programme of business improvements, through which it has achieved significant cash releasing and/or productivity savings over a number of

* The Report for 2004/05 will be published in the autumn

years. In 2004/05, key initiatives included reducing back-office functions and increasing front-line activities through continued streamlining of corporate support, enabled by investments in IT and more e-business. For 2005/06-2007/08, HSE has set a target to deliver £50 million worth of efficiency savings, at least half of which is to be realisable in cash. An efficiency programme has been developed, aimed at achieving this challenging target.

Governance

18 We have rationalised our governance structures. In addition to the HSE Board, HSE has established the new Resource and Delivery Group (RDG) chaired by the Director General. The RDG takes co-ordinated decisions to ensure HSE remains in a sound financial position, to direct improved business efficiency and ensure that HSE progresses towards delivery of the PSA targets.

Working with DWP

19 HSE will work with DWP to support its five-year strategy, including contributing to DWP's approaches to helping people with health conditions and disabilities to engage with the labour market. Particular areas of our work that contribute to this include:

- preventative work (inspections, publicity campaigns etc) to improve risk management, prevent work-related injury and ill health, and stop people from leaving the labour market for long periods of time;
- encouraging and supporting employers to play a bigger role in managing sickness absence and return to work for their employees who are in poorer health; and
- from early 2006, Workplace Health Direct - a pilot service delivering occupational health, safety and return to work support to SMEs.

20 We will also work with DWP on rehabilitation, including DWP's development of the Framework for Vocational Rehabilitation, and review of incapacity benefit and statutory sick pay.

Delivery 2004/05

General overview

The Commission's Strategy for workplace health and safety in Great Britain to 2010 and beyond

21 Achievements over the last year have helped us to position ourselves to deliver the targets:

- ministers and members of the Commission and Executive have done much to promote the Strategy;
- based on the direction given in the Strategy, HSE has introduced fundamental changes to its delivery mechanisms, such as its planning systems and working methods;
- the nine key early deliverables outlined in the Strategy have all been met by the due date;
- the themes in the Strategy have determined outputs such as Workplace Health Direct - a pilot service delivering occupational health, safety and return to work support to SMEs, through an Adviceline and a number of regional partnerships providing an on-site problem solving service; and
- the creation of a Communications Directorate designed to increase impact through a more strategic approach to communications.

Strategic Delivery Programmes

Fit for work, Fit for life, Fit for tomorrow (Fit3)

22 Re-structuring the Strategic Programmes to form Fit3 provides us with a clearer line of sight through the required contributions of the programmes to the three parts of the PSA target. Modelling work is helping to provide greater rigour in the selection of programme content for the coming years and our planned evaluation work should provide early indications of our progress towards delivery. At present, the available statistics provide mixed messages.

23 We continue to make good progress with our planned activities including development of new law, standards and guidance, and targeted interventions including stakeholder engagement, inspection and enforcement.

Major Hazards

24 Three elements of the major hazards targets (offshore, onshore and nuclear) remain on track to deliver the targets. The rail indicator is the subject of further work to establish a more reliable and meaningful indicator and to achieve industry commitment to delivery. Examples of key day-to-day activities in the four sectors are given in paragraphs 125-214.

Strategic Enabling Programmes

Local Authorities and HSE Working Together

25 Good progress has been made in the first year of the Programme, which was established to deliver the Commission's Strategy in respect of the new partnership between HSE and local government. The first step was to develop a joint approach to setting up and delivering the Programme, with Local Authorities Coordinators of Regulatory Services (LACoRS) as a practical means for representing local government at the heart of the Programme. Building on that, a Statement of Intent was agreed between HSC/E and LA representative bodies and a 'best practice' guide was published exemplifying the new partnership. These first steps have been warmly welcomed by local government, but all involved recognise there remain some significant challenges in moving from plans and intentions to making the partnership a working reality.

Business Involvement

26 HSC/E can report considerable progress during the course of the year in taking forward measures to promote and encourage awareness of the importance of greater

corporate responsibility for health and safety, and the business and social benefits this approach brings.

Worker Involvement

27 HSE has been working with stakeholders to devise a programme of activities to deliver HSC's *Collective Declaration on Worker Involvement* (published in March 2004). In February 2005, the Commission approved the programme in principle. The intention is to create a climate for effective dialogue between employers and workers, in the belief that this will lead to an ever more constructive partnership between employers and workers in health and safety matters.

Enforcement

28 The programme will look at ways that formal enforcement activities help support reduction of injuries, cases of ill health and time lost caused by work, focus on those who show a reckless disregard for health and safety requirements, share lessons learnt from investigations and gain widespread recognition for the role of enforcement in supporting sensible standards of health and safety. High-level plans are currently being considered.

Supporting HSE's programme delivery

Policy

29 HSC/E aims to be a leading performer in applying the Government's *Better Regulation* principles. Both HSC and HSE have followed such principles since the early 1990s. They are embedded in policy-making and enforcement, and underpin the Commission's Strategy. Indicators of *Better Regulation* performance for the year are provided.

Communications

30 During the year, HSE has built up and reorganised its communications capacity to achieve some fundamental changes: a shift from reactive and tactical initiatives to strategic communication, and from providing information to changing behaviour.

Science

31 The Government's Chief Scientific Advisor is currently undertaking a review of HSE's science, covering all activities from horizon scanning for future issues to maintenance of existing scientific expertise. HSE has conducted a self-assessment based on the ten review criteria, which will be published as an annex to the external review. A new HSC science strategy, *Gathering Evidence; Developing Understanding; Identifying Solutions*, has been produced, which describes how HSE will apply its science resources to help deliver the Commission's Strategy. The new HSE *Science and Research Outlook* website was launched in October 2004.

Managing the organisation

32 This section includes information on a wide range of management and business issues including business improvement, diversity, green housekeeping and business risk. On business improvement, the outturn results show that HSE achieved savings valued at over £11.6 million. On diversity, HSE has largely met its targets.

Health and safety in HSE

33 The challenging and ambitious targets HSE set itself for 2004/05 were not met, although the baseline (of reports from 2003/04) was a year of good health and safety performance. In recognition of the emerging shortfall, an emergency meeting of the Corporate Health and Safety Committee was held and a new plan has been developed, focusing on areas where improvements are possible.

Balanced scorecard

34 The balanced scorecard takes account of four perspectives or business areas: *Delivering the Mission*, *Managing Resources*, *Continuous Improvement*, and *Reputation*. Full details of each quarter's outturns are available on the HSE website at: http://www.hse.gov.uk. Attached at Annex 1 is a snapshot of the element *Delivering planned work* (from *Delivering the Mission*), adapted for the purposes of the Report. It contains outturns from HSE's Operational Directorates. Progress against plans was well achieved; robust action was taken in the one shortfall in quarter 1 (complaints investigated by HM Railway Inspectorate (HMRI)) which rectified the problem.

Legislative timetable

35 Annex 2 contains full details of European and domestic legislative projects planned for the reporting year and an up-to-date report on the position at the end of the year. During 2004, HSC/E reviewed its legislative programme, reshaping it in the light of new priorities, *Better Regulation* principles and the availability of resources. Sixteen proposals were stopped and a further eight were put on hold pending consideration of alternatives to legislation.

Revitalising targets

36 Progress against the mid-point of the *Revitalising* targets will be reported in autumn 2005 in HSC's *Health and Safety Statistics Highlights 2004/05*. Progress to 2003/04 was published in the *Health and Safety Statistics Highlights 2003/04:*
http://www.hse.gov.uk/statistics/overall/hssh0304.pdf.
A synopsis of progress at that stage reported:

- **fatal and major injuries**: there is a mixed picture but no clear evidence of overall progress since the base year in the incidence rate of fatalities and major injuries;
- **working days lost**: the data for 2003/04 shows no statistically significant progress since 2000-02, the closest available to the base year; and
- **work-related ill health**: there is no clear evidence of net progress since the base year with the incidence rate of work-related ill health.

37 However, the latest data does show a fall in the incidence rate of musculoskeletal disorders (MSDs) since 1999/2000 and a levelling off in the earlier rise in work-related stress. These are the two largest causes of ill health and days lost, offering some encouragement that the results of the actions HSE has initiated are beginning to show through in the figures. A further assessment will be made when new data is available in autumn 2005.

Securing Health Together targets

38 Achieving the targets remains an objective. The Commission's Strategy stressed the need to do more to tackle the new and emerging health issues. Work following the publication of *Securing Health Together* targets looked at ways of encouraging more companies to use occupational health support. This work developed a model for provision of health, safety and return-to-work support to small and medium-sized companies. The model will be tested as Workplace Health Direct, a number of partnership-based regional pilots, over the next three years. This is in line with other work to provide advice free from fear of enforcement. Programmes to tackle stress-related ill health and back and limb problems, the largest causes of work-related absence, are being increased. Where possible, these activities have a clear evidence base, with programmes designed to encourage continuous improvement, not just to meet legal requirements.

Financial review

39 In 2004/05, HSE's administrative expenditure was very close to planned levels, although a degree of uncertainty arising from delay in confirming our SR2004 settlement impeded investment in forward plans. The strategy for expenditure on Programmes continued to be to build up underspend to ensure resources could be targeted to best effect in support of the emerging delivery programme (described in earlier paragraphs).

40 The Treasury's Spending Review 2004 was a tough process for all government departments. HSC/E argued strongly for the resources to implement the Commission's Strategy. It is an indication of the level of support from our parent department (DWP) and ministers that HSC/E achieved a settlement for 2005-08 that is better than simply rolling forward budgets at the same cash level. This will enable HSE to shift resource behind our key delivery programmes.

41 HSC's settlement provides the confidence to plan recruitment for the SR2004 period. Significant retirement is anticipated over the next three years. HSE will recruit to replace those skills that would otherwise be lost and to bring in the new skills necessary to deliver our Strategic Programmes.

42 The allocation of resources in 2005/06 reflects a continuing drive to reduce spend on corporate support and redirect resources into work directly contributing to delivery.

43 There is also a conscious plan to front load expenditure such that Year 1 (2005/06) has relatively greater spend. This is due to the need to make additional investment quickly to support delivery of the PSA. A review will be carried out during 2005 to assess the extent to which resources might need to be rebalanced into the allocations for 2006/07 and 2007/08. That review will take account of the latest versions of the Strategic Programme plans to provide the RDG (see paragraph 18) with the latest information on likely resource requirements in future years.

44 The external advisor's report on the scope of HSE's charging regime is still being evaluated.

45 Details of HSE involvement in Private Finance Initiatives (PFIs) are in paragraph 7 of the 2004/05 Accounts Foreword, Note 20 of the Accounts, and paragraphs 316-317 of the Annual Report. The Health and Safety Laboratory (HSL) PFI has concluded and is reflected in Note 14 of its 2004/05 Accounts.

Further information

46 In addition to publishing this report as a printed document, you can also find it on the HSE website. The website addresses for main publications and information are given throughout this report. More comprehensive information on publications and reports referred to can be found on the HSE Books website (http://www.hsebooks.co.uk). HSC/E also provides a contribution to the DWP's Departmental Annual Report. When it is published later in the year, the Departmental Report 2005 can be found at: http://www.dwp.gov.uk.

47 The HSE website also contains up-to-date information and advice on health and safety issues including the latest statistical information (http://www.hse.gov.uk/statistics). Advice can also be sought via HSE's Infoline - Telephone: 0845 345 0055, Textphone: 0845 408 9577, email: hseinformationservices@natbrit.com. Infoline staff can answer general enquiries and tell you about our publications.

HSC's Strategy for workplace health and safety in Great Britain to 2010 and beyond: One year on

The Commission's Strategy

48 In February 2004, HSC with the Minister for Work launched the *Strategy for workplace health and safety in Great Britain to 2010 and beyond* (http://www.hse.gov.uk/aboutus/hsc/strategy.htm). In March 2005, HSC delivered a report to the Minister for Work describing progress made with the Strategy in the year following its launch. The report, entitled *Workplace Strategy: Moving to Delivery*, can be found at: http://www.hse.gov.uk/aboutus/plans/hscplans/janekennedy.pdf.

49 The Commission's Strategy contains four high-level themes:

- developing closer partnerships;
- helping people benefit from effective health and safety management;
- focusing on core business by being clear about priorities; and
- communicating effectively.

50 The genesis of the Strategy was recognition that the setting of targets for improved national health and safety performance would not in itself deliver results: strategic direction, supported by different delivery methods, was also necessary.

51 During the last year, ministers and members of the Commission and Executive have done much to promote the Strategy, using speaking opportunities to explain the key ideas, in presenting evidence to the Work and Pensions Select Committee and in other ways. The effort expended in its promotion has created impact. For instance, it has clearly been influential in shaping the thinking of Philip Hampton's review of regulatory inspection and enforcement, whose report *Reducing administrative burdens: effective inspection and enforcement* (http://www.hm-treasury.gov.uk/hampton) was published on 16 March 2005.

52 The Strategy underpins a process of setting priorities and directing resources to areas where they can be most effective. The last year has seen numerous examples where the themes in the Strategy have directly determined outputs, a few of which are:

- **Workplace Health Direct**: a pilot service delivering occupational health, safety and return to work support to SMEs through an Adviceline and a number of regional partnerships providing an on-site problem-solving service.
- **Government Setting an Example**: a programme of work set up to improve health and safety management in the public sector, and to use Government's influence as funder, procurer and standard setter, and overseen by a Ministerial Task Force. This is now part of a wider 'Public Services Programme'.
- **Providing accessible advice and support**: HSE published a statement in September 2004 describing four strands of work for improving the advice and support available, especially to small businesses, free from fear of enforcement (http://www.hse.gov.uk/aboutus/plans/index.htm).
- **Interventions strategy**: this was subject to a consultation document *Regulation and recognition: Towards good performance in health and safety*. Analysis of responses will lead to further developments in how HSE and LAs target their interventions, which will be openly communicated.
- **Communicating effectively**: a directorate has been created to increase impact through a more strategic approach to communications, and to present a clear picture of HSE's role and focus.

53 The Strategy document also outlined nine key early deliverables, designed as easily recognisable outputs, and these have all been met by the due date.

54 In responding to the challenge of the Strategy, HSE has introduced fundamental changes to its delivery mechanisms, especially its working methods. HSE has developed two Strategic Delivery Programmes, one focusing on injury and ill-health reduction (Fit3), the other on major hazard industries. Four Strategic Enabling Programmes, covering partnership with local authorities, worker involvement, business involvement and enforcement, support these. Complementing this, HSC has established a science strategy to direct the way in which its science and technology resources will be targeted. HSE is also developing a workforce strategy to ensure that it has the right people in the right place with the right skills.

55 In summary, HSC/E has restructured and refocused, and is now positioned to deliver its targets.

Strategic Delivery Programmes

Fit for work, Fit for life, Fit for tomorrow (Fit3) Strategic Delivery Programme

Overview

56 During 2004/05 we have developed a new Strategic Delivery Programme that encompasses and builds on work initiated in both the Hazards and Sector Strategic Programmes, and the former *Better Health at Work* Partnership Programme. This new Strategic Programme will run from 1 April 2005 for three years.

57 By aligning programme activity to the three occupational health and safety elements of the PSA (also the *Revitalising* indicators) and making organisational changes to support programme working, the new Strategic Programme is better placed to deliver the targets. This structure allows us to apply the principles of programme management more effectively. In line with the Commission's Strategy, we will put more resource into activity that has the greatest potential impact on the targets, while scaling back lower impact work.

58 The target to reduce days lost due to injury and ill health continues to be a real challenge. To meet it, our analysis shows that we must focus on:

- engaging the public service sector to tackle issues such as stress and MSDs; and
- helping organisations to implement systems for managing sickness absence and return to work.

59 During the last year, we have developed a number of tools to help organisations. We are now designing new interventions to take this work forward in line with the Commission's Strategy - particularly working in partnership with others, including DWP and DoH. We will need to develop new skills and expertise in our programme delivery teams to support these innovative approaches.

60 We have had some major successes in the last 12 months:

- securing political commitment to action in the public sector through the Ministerial Task Force review of managing sickness absence, and endorsement of the Task Force's delivery plan;
- agreeing guidelines for detecting and managing asthma - partner organisations all now have links on their websites to the detection/management guidelines for GPs, practice nurses and occupational physicians;
- running Safety and Health Awareness Days (SHADs) and the Working Well Together (WWT) Roadshow. The response from our construction stakeholders to these events has exceeded expectations. Take-up of the Construction Skills Certification Scheme (CSCS) has been in excess of targets;
- testing the provision of occupational health, safety

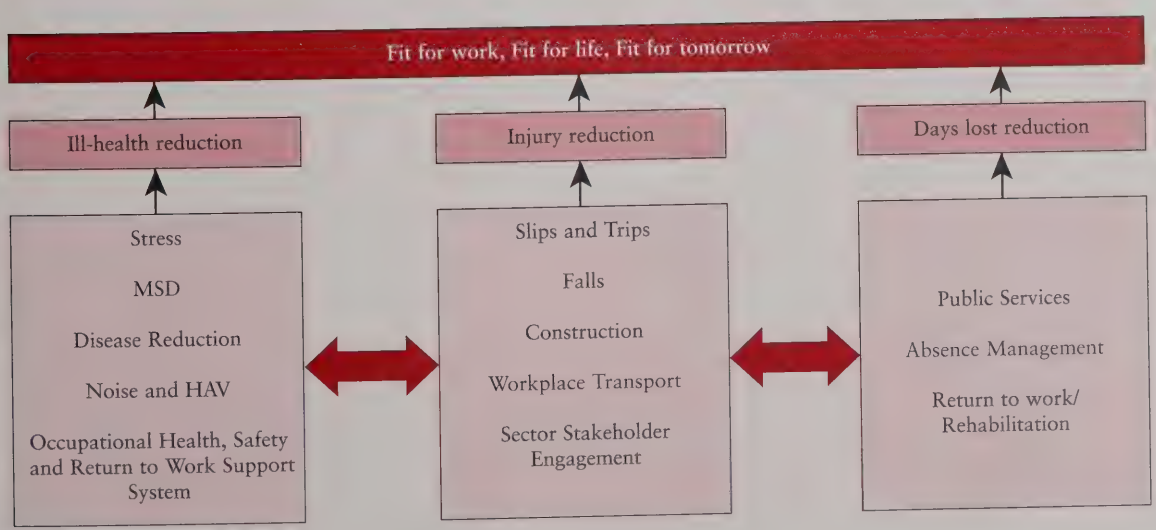


Figure 3 The Fit3 structure

and return-to-work advice and support, including a national advice line independent of HSE, through the Workplace Health Direct pilots;
- launching the stress management standards after widespread consultation and work with stakeholder groups;
- publishing guidance on managing sickness absence and return to work that gained DWP acclaim;
- working with the Institute of Occupational Medicine (IOM) to develop the Sickness Absence Recording Tool;
- launching new user-friendly assessment tools to help assess and manage slips and trips, manual handling, and risk in agriculture;
- introducing new legislation aimed at reducing the risks arising from work at height and vibration;
- focusing work of our front-line staff on key programme areas.

Ill-health reduction

61 This year has been a challenging one. The nature of the programme block has changed from one working to influence people to make more use of occupational health support, to one with a much harder focus on delivering targets for improved health. Stress and MSDs have been the main causes of ill health in the workplace for some years. New analytical work has shown us the scale of activity we need to generate to meet the targets. Workplace Health Direct is a new venture for HSE. It means we need to develop new skills and an effective evaluation process. Working with partners will be crucial to meet the huge challenges we face in achieving the impact we want in all these areas.

62 In conjunction with the Disease Reduction Programme, the Better Health at Work team is striving to reduce the incidence of ill health caused by work by 2008. To achieve this reduction we are focusing on two main areas: stress and MSDs. We have made good progress - the latest statistics for 2003/04 show a fall in the incidence rate of MSDs since 1999/2000 and a levelling off in the earlier rise in work-related stress (the two largest causes of ill health and days lost).

63 Over the last year we have paid particular attention to communicating and engaging with stakeholders and potential partners: key themes in the Commission's Strategy.

Stress Programme

64 In 2004/05 we planned to reduce the incidence of ill health caused by stress through a number of programmes:

- developing management standards and supporting guidance for stress;
- encouraging employers to follow existing guidance in assessing the risk in their workplace in conjunction with their employees; and
- encouraging stakeholders to share their knowledge and form networks.

65 The Stress Programme has made significant progress this year. We carried out a consultation exercise on the stress management standards, targeting sectors with high rates of stress and using mainly electronic methods (through the website and distributing a CD-ROM). The standards were launched in November, and were well received by our stakeholders. We are now ready to target the sectors where we need to have most impact.

66 The Programme has engaged key stakeholders throughout the year. This included exploring the issues with human resource managers and a TUC representative, which informed the development of the Stress Management Standards. We have also helped to target the public sector through work with the Public Services Programme.

67 The website has continued to be an effective means of communicating, with up to 15 000 contacts registering per month. We have established an online community to facilitate information exchange, with around 500 people subscribing to this service so far.

68 HSE continues to work in close partnership with Hertfordshire County Council to implement the Stress Management Standards. Between September and December 2004, 13 focus groups were held, involving staff from across the Council's Schools and Families Department (with the exception of field social workers). The findings, when combined with the results from the HSE analysis tool, have provided a useful basis from which to develop effective stress interventions.

Musculoskeletal Disorders Programme

69 Work-related MSDs are the most common type of occupational illness, accounting for over a third of all the working days lost due to work-related illness.

70 The latest statistics show that there has been a fall in the incidence of MSDs. However there has also been an increase in injuries involving handling, lifting, and carrying. These topics will be the subject of the HSE *Backs!* campaign, which will take place in June/July 2005.

71 In 2004/05, we aimed to reduce the incidence and number of working days lost by:

- training stakeholders through Safety and Health Awareness Days;
- commissioning research to provide scientific evidence supporting the benefits of successful management of MSDs;
- communicating, including producing guidance, and undertaking further work to update the *Manual Handling Assessment Chart* (MAC) tool website. The MSD website has been successful this year with a significant increase in hits. In addition, we have published and distributed the lifting aids leaflet widely;
- promoting interventions, including a targeted inspection programme and investigating where

necessary. This work included training HSE and LA inspectors.

72 An HSE visit identified that a company's management of manual handling risks was poor. The company used HSE's MAC tool to carry out manual handling risk assessments for three sample tasks: heaviest load; most frequent load; and most awkward load. Far-reaching changes resulted: cell manufacturing was adopted and stores were delivered straight to the cells where they were required. All stores throughout the factory are now on colour-coded shelves with 20 kg items only stored at waist height, lighter items stored at knee and chest height and the lightest items at floor and head height. Incoming stores are colour-coded as they arrive and tabbed with coloured tape or decanted into bins at the appropriate height. The overall improvement in efficiency (because of time and motion savings driven by MAC tool results) was approximately 30% and the MAC tool philosophy is now being rolled out in the company's European factories with massive potential savings.

Disease Reduction Programme

73 The Disease Reduction Programme plans to achieve a 3% reduction in the incidence of occupational ill health caused by chemicals. We have undergone a period of change in the last year and emerged with a better-targeted programme. We hope to achieve this target through reductions in skin disease and occupational asthma, with contributions from long-latency diseases flowing to contribute to the next set of (post-2008) targets.

74 Our communication work this year has included:

- publishing new guidelines (aimed at GPs and practice nurses) on detecting and managing occupational asthma;
- launching the UK *Asthma at Work* charter at the TUC, which HSE worked on with other key stakeholders;
- hosting successful external workshops to look at occupational respiratory disease and carcinogens.

75 We have actively engaged key stakeholders throughout the year, including GPs, LAs, leading academics, trade unions (TUs) and industry groups.

76 Throughout the year, the programme's work has included:

- developing a new project aimed at reducing skin disease in the hairdressing sector;
- raising awareness of the new duty to manage asbestos, by means of a campaign that included the launch of a successful new video/DVD *How are you managing?*;
- proposing to consult on a new occupational exposure limit for respirable crystalline silica, which the Advisory Committee on Toxic Substances approved;
- developing *COSHH-essentials* further (http://www.coshh-essentials.org.uk);
- piloting asthma SHADs, aimed at motor vehicle repair body shops that use isocyanate-based paints. We will roll these events out fully in 2005/06;
- publishing new guidelines on detecting and managing occupational asthma.

Noise and Vibration Programme

77 We set out to eliminate disabling levels of ill health caused by noise at work (by 2030) and hand-arm vibration (HAV) (by 2015) by:

- addressing manufacturers/suppliers to reduce emissions at source;
- encouraging employers to take optimum cost-effective measures to reduce exposure;
- engaging workers to recognise risk and take appropriate preventive action.

78 A package of new regulations and guidance, implementing European Directives on noise and vibration, will inform and support this work.

79 At this early stage in the process, we are focusing on developing, publishing and publicising the new regulations and guidance. Following widespread consultation, the vibration package has now been approved and we expect the Vibration Regulations will come into force on 6 July 2005. The guidance is well developed and we expect to launch and publicise both packages around the European Week for Safety and Health in October. HSC is due to consider the results of consultation on the proposed Noise Regulations in April 2005.

80 A masonry company had reported several cases of HAV ill health. Measurements showed that exposure was above the recommended levels. The involvement of HSE staff led to actions by the company, including a revised HAVs assessment, reviewed procedures by their occupational health physician, and the planned purchase of a 3-axis CNC router to help alleviate the problem. In addition, a design change in the air hammers (supplied from Italy) will help. The company is in the Stonemasons Federation and plans to share information on their improvements with other members.

Occupational Health, Safety and Return to Work Support Programme

81 In 2002/03, 33 million days were lost to occupational ill health. HSE is committed to reducing the incidence of work-related ill health by 6% and the number of working days lost per 100 000 workers by 9%, based on figures from 2004/05.

82 This programme of initiatives will improve occupational health, safety and return to work support, reducing the number of people who take time off work due to work-related ill health and get those who do take time off back into work as quickly as possible.

83 This year has seen the launch of *Constructing Better Health*, an industry-led pilot scheme for construction workers in Leicestershire, and the *Better Health at Work* project led by Kirklees Metropolitan Authority in partnership with local NHS trusts and Jobcentre Plus.

84 Building on this experience, we will launch Workplace Health Direct in early 2006. The service will comprise an Adviceline and a number of regional pilots delivered through innovative partnerships, as announced by ministers in February 2005. The plan is to develope a national service if the pilots are successful. Workplace Health Direct will:

- provide an on-site problem-solving service for SMEs;
- give advice and support to both employers and workers; and
- identify the need for further specialist support.

85 In October 2004 the Minister for Work launched a package of good practice guidance, including new web pages, with the Government's *Framework for Vocational Rehabilitation*. The Institute of Occupational Medicine, on behalf of HSE, has developed a sickness absence recording tool that will help smaller employers measure sickness absence and better manage the health of their staff. We have worked with the TUC on a guide for trade union representatives on return to work that will be published in summer 2005.

Injury reduction

86 This programme block embraces the former Hazards Programmes of slips and trips, falls from height, and workplace transport, in addition to sector engagement work in agriculture, manufacturing, commercial and consumer services, transportation and utilities that was formerly part of the Sector Strategic Programme. This year we have developed the Injury Reduction Programme Block significantly to bring together interlinked projects and intervention work. Modelling of our planned interventions will help us to target our efforts to achieve maximum impact. Much of our project work has delivered encouraging results over the last year (see paragraphs 87-116) - and the most effective elements will be carried forward into future years.

Cross-cutting injury activity

87 A major joint enforcement project targeted transport, distribution and warehousing, concentrating on the key priority hazards of workplace transport, MSDs, falls from height and slips and trips. Joint visiting by HSE and local authority staff resulted in a total of 20 prohibition and improvement notices being served. Working in partnership in this way allowed the whole range of an organisation's activities to be dealt with together. In addition, the enforcing authorities involved have a much better understanding of each other's roles, expertise and priorities. The improved co-operation continues.

Slips and Trips Programme

88 The latest statistics show that slips and trips remain the most common cause of occupational major injuries. Slipping and tripping incidents account for 37% of reported employee major injuries and must be tackled to provide cost-effective safety management.

89 We worked to reduce the number of workers injured by slips and trips by:

- training and supporting HSE and local authority inspectors;
- working with key stakeholders to promote awareness of and action on slips and trips issues. This included explaining to duty holders why and how to prevent slips and trips, and encouraging employers to reduce the risk;
- commissioning and undertaking research to identify causal factors, trends and slip-resistance measurement techniques.

90 This year we have emphasised partnerships, and worked with sectors where there are high numbers of slips and trips accidents, in line with the HSC Communication Strategy.

91 As well as working closely with our local authority partners, we have successfully engaged with stakeholders including the insurance industry, property management companies, contract cleaning industry, architects, footwear suppliers, DTI, and leading health and safety organisations. Through these stakeholders we continue to influence employers.

92 Joint ventures with other organisations included a public launch of the Slips Assessment Tool, key presentations and exhibition stands and work to influence risk management. There has also been positive coverage in the press. We have developed a communication plan to ensure key messages achieve maximum impact.

93 Local incident information on slips identified school catering as a key risk area. Investigations showed a number of significant and high-risk situations in dining areas rather than kitchens because of the use of linoleum and polished wooden flooring, together with wetness being brought from outside, spillages and children's footwear. The council agreed to take immediate steps to improve the flooring, control spillages better and prevent wet floors. In addition, they started a county-wide campaign to reinforce the precautions in reducing slip risks.

Falls from Height Programme

94 We aim to reduce the incidence of injury caused by falls from height by:

- implementing the Work at Height Regulations 2005;
- piloting sector-based approaches and working closely with relevant stakeholders;
- developing guidance on the use of work equipment and safe working methods, where work at height cannot be avoided;
- carrying out a targeted inspection programme, and investigating where necessary.

95 Throughout the year we have made significant progress in each of these areas.

96 In line with the Commission's Strategy, a lot of work has gone into targeting topics where we will be able to have most effect. We have achieved this through piloting sector-based approaches and a targeted inspection campaign, eg developing a Toolbox Talk aimed at maintenance and electrical fitters and how they use ladders and stepladders.

97 We have also made progress with implementing the Work at Height Regulations. Two consultations took place on the Regulations, including one specifically on the 2 m rule for the construction industry. This process included meeting and engaging with key stakeholders. The Regulations came into force on 6 April 2005.

98 Communication has been an important aspect of the programme's work, including guidance on safe working methods where work at height cannot be avoided. We have also seen a steady rise in hits on the website.

99 A UPVC window installer fell from a ladder and broke both legs. The cost of providing safe access to difficult windows (eg above fragile roofs and conservatories) was not considered when tendering for work, resulting in pressure to cut corners to bring the job in on price. An Improvement Notice was issued and surveyors are now trained and required to assess risks when tendering. The window systems have been redesigned, so that they are lighter and most work can be done from inside the building. Ladders have been replaced by lightweight access platforms, which can reach over fragile roofs and conservatories.

Construction Programme

100 The construction industry is perhaps the last remaining heavy industry of any size in Great Britain. It is also one of the largest, employing up to two million people and contributing some 8-10% to the Gross Domestic Product (GDP) through an output of some £84 billion. It has a fatal-injury rate of over five times the UK all-industry average and is the cause of the largest number of worker fatalities of any sector. Construction's record on ill health is poor, especially in relation to MSDs, noise, HAVs, asbestos-related disease, cement dermatitis etc.

101 All but a few of the employing organisations are SMEs and micros (self-employed and small employers). This creates significant challenges for a regulator with finite front-line resources and puts at a premium the resourcing of other means of communicating key industry improvement messages. Added to this, we need to achieve cultural change in the deeply embedded attitudes of the construction industry to its workers in order to deliver real progress.

102 The Construction Programme will shortly be entering its fourth year. In 2004/05 we planned and delivered on the following work with the aim of reducing the incidence of injuries and ill health in the industry by:

- organising a high-level summit under the theme *Ownership, Leadership and Partnership*, where more than 200 senior executives and union representatives committed to further action to improve the industry's health and safety performance. The event was supported by the attendance of the Minister of State for Work and the Minister for Construction, Small Business and Enterprise;
- taking forward co-ordinated interventions with larger construction companies at board level and intervening early on large projects with clients, designers and contractors;
- carrying out targeted inspection programmes on the principal causes of accidents and ill health. These included nationwide blitzes focusing on key health hazards in the industry (*Healthy Handling*) and key safety issues (*FaTaLs* - falls, transport and lifting);
- revising the Construction (Design and Management) Regulations 1994, associated ACOP and guidance;
- working with partners in the industry to deliver SHADs for small businesses;
- taking forward health initiatives through the supply chain. Our work with manufacturers, suppliers, clients and contractors led to the adoption of new standards for the mechanical handling of kerbs;
- in conjunction with industry partners, developing a tool for managing occupational health;
- working with stakeholders to deliver safety initiatives to address significant issues, such as short duration work at height, lifting operations, site traffic management and road works;
- investigating fatal and serious accidents.

103 The National Audit Office (NAO) completed its review of HSE's work in regulating the construction industry. The NAO's report, and a subsequent report prepared by the Public Accounts Committee, were supportive of HSE's Construction Programme.

104 There are encouraging signs of progress within the industry towards delivering the Construction Programme target (the rate of fatal accidents in construction is now 25% lower than 1999/2000, the rate for reported major injuries is 15% lower and the rate for reported over-three day-accidents is 25% lower).

105 A volume house builder set up a system to develop traffic management plans including changing

the build order with temporary haul roads to ensure one-way systems and segregation. The traffic management system now forms part of the initial meetings with the site layout designers and the sales department.

Workplace Transport Programme

106 We aim to reduce the incidence of injury caused by workplace transport by:

- developing management standards for workplace transport use;
- influencing the safe design, manufacture and use of workplace vehicles;
- developing guidance, including that on 'safe site' inspection for inspectors; and
- commissioning targeted research.

107 Communication is the key to delivering this programme and this year we have:

- raised our profile by placing material in a number of trade and professional magazines and running a local press and radio campaign;
- engaged stakeholders in the private and public sectors;
- worked in Europe to share material and discuss approaches to driver- and vehicle-related issues.

108 We have made good progress with developing new ways of getting information across to particular audiences this year. Two new products will be launched in April 2005:

- a web-based interactive toolkit for small businesses;
- a web discussion forum (in partnership with the Freight Transport Association).

109 A two-week transport revitalising initiative, comprising a major inspection and awareness-raising programme, with HSE, Kent Police and all 13 local authorities in Kent and Medway working together. The aims of the initiative were to tackle the food chain in Kent and specifically to promote the message of *Safe driver, Safe vehicle, Safe site*; raise awareness of workplace transport safety and reduce workplace transport risks; and create a partnership between HSE, local authorities and the police. Outcomes included companies reducing transport risks by segregating vehicles and pedestrians; reducing reversing; reassessing risks; implementing monitoring arrangements; training drivers and providing information for drivers and others. One visit resulted in a national supermarket chain rolling out risk reduction measures to 265 stores, impacting on 122 000 employees and their contractors. In addition, 108 Notices were issued and over 50 dangerous vehicles taken off the road. Media coverage reached an estimated 1.5 million people.

Sector stakeholder engagement

110 *Manufacturing* Manufacturing industry in Great Britain accounts for around 20% of all reported injuries and cases of ill health. The sector has seen a further small decline in the number of workers directly employed, although the figure is still over 3.5 million, with a similar number of jobs in contracted services which are directly dependent on manufacturing. Industries such as metal fabrication, basic metal production, recycling of material, woodworking and quarrying still have significant rates of fatal and major injury. Rates of ill health, notably asthma, dermatitis and noise-induced deafness, are consistently higher in manufacturing than other industry sectors. The main challenge is to engage with those stakeholders who contribute disproportionately to injury and ill-health statistics and to secure commitment to targeted reductions in injury and ill health. We also need to tackle the rising accident trends in the waste and recycling industries.

111 HSE's Manufacturing Sector is working to improve performance by:

- setting clear targets for improvement with the poorest performing industries;
- supporting key intermediaries to lead within their industries;
- negotiating better ways of working with industry;
- developing and publishing standards and guidance;
- supporting HSE and LA inspectors;
- encouraging partnership initiatives to support the attainment of targets set out in the *Revitalising* agenda.

112 A *Revitalising* network has been created, which is engaging with leading health and safety players from the various industries that make up manufacturing. This is acting as a best-practice showcase and benchmarking group using practical case studies to demonstrate that good health and safety also makes business sense. A virtual community site, regular seminars and themed conferences facilitate sharing information.

113 *Commercial and consumer services, transportation and utilities* This group of industries accounts for 13 million employees working across a diverse range of work activities in Great Britain. Our work builds on experience in previous years and includes:

- supporting key duty holders to develop strategies for sustainable improvements in performance. For example, the ongoing intervention with Royal Mail has led to a significant reduction in their overall accident rate since 2000/01;
- developing partnerships that do not rely on regulatory enforcement to deliver improvements. Recent work in health and safety in design at Heathrow Terminal 5 is a key example of this approach, and was submitted for consideration for a national Government award;

- targeting key industry groups to support the reduction of injury and ill-health levels;
- supporting local authority inspectors in LA-enforced sectors.

114 Bus-operator audits showed that most operators were aware of the Department for Transport's (DfT's) guidance on violence in *Protecting Bus and Coach Crews*. A minority had already taken action to reduce the risk of violence. Operators in urban areas encountered a much higher risk of assaults than those in semi-rural areas. This difference in risk has led to different control strategies, but strategies include improved physical protection, such as assault screens, as well as CCTV, fare safes and emergency radios. Some operators are working closely with the police and even experimenting with DNA spit kits and global positioning system (GPS) tracking devices. All operators are training drivers in aggression diffusion techniques.

115 *Agriculture* Planned delivery 2004/05:

- progressive engagement with stakeholders who can influence industry, including rural forums, banking, insurance, education/training sectors, retail supply chain and social partners;
- work with the Qualifications and Curriculum Authority (QCA) and a number of national land-based training organisations and awarding bodies to develop vocational (and other) qualifications on managing occupational health and safety;
- provision of targeted information, advice and guidance, including free interactive *Farm self-assessment* software. The software, widely distributed through trade press and available from the HSE website, was well received by industry. It helps farmers carry out their own risk assessments, has raised levels of health and safety awareness and is being trialled in the fresh produce retail supply chain;
- stimulating action among self-employed, family and small farms through SHADs and local farmers' group inspection events;
- influencing safety through design, eg involvement in standards, engaging with manufacturers and importers of machinery;
- promoting the development of occupational health and rehabilitation provision and encouraging take-up by the farming community;
- continuing work on child safety in agriculture;
- work with users and providers of casual and temporary labour (including migrant workers) in agriculture and the fresh produce sectors; in particular, co-operation with the local Sea Fisheries Committees in England and Wales to promote guidelines for safe working in estuaries and tidal areas developed out of the investigation of the tragic deaths of 21 Chinese migrant workers in Morecambe Bay in February 2004.

116 Through a variety of different local agricultural partners, we developed a more targeted approach to small-farm problems. We developed mini-Safety Awareness Days (SADs) based on a single farm to which neighbours are invited. Less resource-intensive than traditional agricultural SADs, they proved to be a flexible, popular and cost-effective method of intervention. Simultaneously, we developed a more co-ordinated approach to the preparation of health and safety-related articles for local media and trade press focusing on specific activities, eg harvest, as a more effective way of targeting and amplifying the impact of the mini-SADs. We have also developed direction, guidance and training for health and safety awareness officers (HSAOs) newly allocated to FOD's Operational Field Management Units responsible for agriculture.

Days lost reduction

117 We aim to:

- improve health and safety management in government departments to reduce injury, ill health and sickness absence;
- reduce the number of workers injured or made ill in the health services.

118 Both programmes aim to achieve these goals by:

- influencing through key stakeholders including other regulators;
- agreeing targets for delivery;
- improving management systems; and
- ensuring compliance through targeted inspection and investigation where necessary.

Public Services Programme

119 *Central government* Delivering the joint Task Force/Cabinet Office report on *Managing sickness absence in the public sector* to the Chancellor (and publishing it on 8 December 2004) was a significant achievement this year for the programme and for HSE. The report is enabling strong links to be made with the wider efficiency and public sector reform agendas by stressing the benefits to delivery of having a fit and healthy workforce at work rather than off sick - without which the impact of HSE on its own would be limited. These links give us a powerful top-level driver, which applies across the public sector - the key objective of the programme during 2004.

120 Early in 2005 we produced the Task Force Delivery Plan and continued to forge alliances with our stakeholders by:

- agreeing to pilot innovative approaches to sickness-absence management with other departments, including DWP, Inland Revenue, Department for Environment, Food and Rural Affairs (DEFRA), and HM Prison Service;

- holding a high-level meeting with the prison service to identify key health and safety issues and a programme of joint activity to tackle them. This will provide a model for future interventions in other parts of the public sector;
- holding meetings with the Office of Government Commerce (OGC), NAO, Audit Commission and Arbitration Conciliation and Advisory Service (ACAS) to explore joint agendas and involvement in the programme.

121 *Health services* In the health services sector, good progress continued. During the year, the programme's work has included:

- conducting research on patient-handling training. The research has produced a model question set to assess manual-handling precautions in health care, and will be piloted by early 2005/06 with a view to rolling it out across Acute Trusts over the next two years. The NHS's *Back in Work Awards* have identified more good practice in patient handling;
- producing a slips and trips publicity package to promote case studies and best practice in managing the causes of slips and trips;
- signing a concordat with the Counter Fraud Security Management Service to agree working arrangements and communication mechanisms on the management of work-related violence across the NHS (England);
- signing the *Concordat between Bodies Inspecting, Regulating and Auditing in Healthcare* in June 2004, which is co-ordinated by the Healthcare Commission;
- working closely with the Healthcare Commission to integrate HSE intelligence on the performance of healthcare providers into its revised performance assessment process, and to contribute expertise in defining health and safety performance benchmarks within the core and developmental standards of the DoH *Standards for Better Health*;
- visiting PFI projects in the NHS to encourage safety in building design, and better relationships between clients, designers and contractors;
- holding new workshops and SHADs aimed at care homes and primary care.

122 Phase 1 of a new initiative to implement the stress management standards is due to commence in 40 NHS trusts in May 2005. This is part of a wider project including 100 large organisations across five priority sectors. Specially trained HSE inspectors (termed HSE Stress Partners) will assist trusts to implement the stress management standards and ACAS will provide some free management consultancy to help trusts to change their management systems if this is necessary.

123 NHS trusts continue to benefit from targeted HSE interventions looking at the primary causes of absence and ill health. In one case, a trust responded to HSE's report by producing a management system workbook using the HSE management model as a template for long-term, sustained improvement. The trust indicated that they welcomed the way in which HSE's approach had been successfully moulded to its own internal goals. There has been evidence of this in follow-up interventions by HSE inspectors.

124 HSE has, with the support of the LAs forum, initiated engagement with LAs in their role as employers. We hope to advance the Fit3 Programme in this major employment area, and to help deliver the 30% reduction in sickness absence across the public sector, as called for in the Chancellor's March budget.

Major Hazards Strategic Delivery Programme

Overview

125 This Strategic Delivery Programme focuses on HSE's important role in regulating and ensuring safe management of those industries where failure to manage risks to health and safety can lead to a catastrophic incident (ie where the health and safety of many people, whether workers or members of the public, is affected).

126 The industries covered include:

- nuclear;
- offshore oil and gas;
- railways;
- onshore major hazard industries - sites subject to the Control of Major Accident Hazards Regulations 1999 (COMAH), eg chemical industries;
- onshore major hazard industries not subject to COMAH, eg hazardous pipelines.

127 The railway industry is not a major hazard in the widely recognised sense; however, safety failures in it can lead to incidents that affect large numbers of people, hence its inclusion within this Strategic Delivery Programme.

A national target for major hazard industries

128 HSC/E has developed a national target for major hazard industries:

'To reduce still further the likelihood of catastrophic incidents in key major hazard industries regulated by HSE, by achieving a sustained reduction in the level of precursor incidents occurring in these industries over the period 2004-06.'

129 A 'precursor incident' is an event or group of events that indicates failure in systems controlling the risks from a major hazard. They are the links in a chain of causation, which would be key elements in preventing certain catastrophic outcomes.

130 The targets represent the diverse range of industries in the major hazards sector and have been agreed with key stakeholders. A single aggregated indicator has not been pursued because of the complexity of bringing together the different data series. They are summarised in Table 1, which

defines each target and sets out baselines. Table 2 reports on 2004/05 performance.

131 Projections for the end-of-year outturn are that we will be on target in three of the elements (offshore, onshore and nuclear). The indicator for the onshore chemicals sector continues to show year-on-year improvement and is consistently better than target. Nuclear and offshore sectors are also on track to hit target.

132 The figures for rail are not represented, because, twice during the year, the Rail Safety and Standards Board (RSSB) modified its Safety Risk Model on which the indicator is based. This prevents meaningful comparison with previously reported figures. However, there has been an underlying average improvement in the number of precursor events of about 5% per year since the original baseline was set by the industry in March 2002. HSE Rail is engaged in agreeing an improvement target that is relevant across the industry and which is stretching, achievable and can provide the basis for meaningful year-on-year comparisons. HSE Rail also continues to be very active with industry to ensure it deals with principal risks (level crossings and irregular working).

Other HSE activities in major hazard industries 2004/05

133 While precursor incidents provide measurable insights into the way major hazard industries are controlling risk, they do not form the sole basis for our intervention strategy.

134 The Strategic Delivery Programme aims to promote and demonstrate improved control of major hazards by:

- inspecting and enforcing the law in major hazard industries;
- operating current permissioning regimes, including safety case and licensing regimes; and
- working with stakeholders, including employers, workers and trade associations, to ensure sound control measures and that standards are maintained or improved.

135 A snapshot of activities in each sector during 2004/05 can be found in paragraphs 142-214.

HSC policy statement on permissioning regimes

136 The dangers posed by major hazard industries mean that they are regulated through regimes with higher than normal levels of scrutiny and varying degrees of 'permissioning' (often to meet international obligations). A commitment in the Commission's Strategy is that HSE will review its safety case regimes to ensure that they remain relevant and proportionate to the changing nature of these industries in Great Britain. A significant research project has been undertaken this year to review the basis for HSE's permissioning work, and the results will be available later during 2005.

137 For further information on this subject, see HSC's Policy Statement: *Our approach to permissioning regimes* (http://www.hse.gov.uk/enforce/permissioning.pdf).

Delivery of the major hazards targets 2004/05

138 The targets set are given in Table 1:

Sector	Precursor indicator	Baseline (2001/02)	Target (to end of 2005/06)
Nuclear	Reports made to HSE by licence holders which indicate a challenge to nuclear safety	143	136 (5% decrease by 2006)
Offshore	Major and significant hydrocarbon releases	113	74 (10% year-on-year reduction)
Onshore (COMAH)	Relevant RIDDOR-reportable dangerous occurrences (eg unintentional explosions, failure of pressure systems)	179	168 (6% reduction)

Table 1 Major hazards targets

Sector	Base Yr 2001/02	2002/03	2003/04	2004/05 Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rail indicators								
Signals passed at danger	172	143	Series discon-	Figures have not been presented, because for the second time within 12 months, RSSB has modified its Safety Risk Model on which the indicator is based. This prevents meaningful comparison with previously reported figures.				
Track compromised	627	577	tinued					
Derailments	63	56	and					
Acts of vandalism	921	741	replaced					
Level crossing incidents	182	176	with Safety					
Total	1965	1693	Risk Index					
Safety risk index		101.7	86.9					
Nuclear indicators								
Reports made to HSE by licence holders which indicate a challenge to nuclear safety	143	156	110*	32	31	28	36	127
Offshore indicators								
Major and significant hydrocarbon releases	113	85	97**	12	23	27	21	83
Onshore indicators (COMAH)								
Relevant RIDDOR-reportable dangerous occurrences (eg unintentional explosions, failure of pressure systems)	179	155	154*	37	40	23	30	130

Table 2 Major hazards indicators

** The '101' figure previously recorded was incorrect. The correct total is 110 (from figures for the quarters in 2003/04 of 32, 24, 26 and 28 giving the correct total of 110 for the period). Provisional end-of-year 2003/04 figures for onshore were confirmed as 154 instead of the 143 previously recorded.*

*** The complex nature of the classification of hydrocarbon releases and the voluntary nature of the reporting system mean that the figures are subject to change at a late stage. The figure of 113 recorded in last year's Annual Report is now revised to 97.*

Nuclear

139 Despite the increase of incidents this year compared with last (which was a particularly good year), overall we are still on track to hit target. The quarter-by-quarter variations are not thought to be statistically significant.

Offshore

140 Although the actual outturns have risen during the first three quarters, the quarter 4 figure has declined. After a disappointing increase in 2003/04 there has been a significant reduction and the sector is on track to hit the target.

Onshore chemicals

141 The indicator is consistently better than target and has shown year-on-year improvement.

Offshore Safety Sector

Introduction

142 HSE ensures that risks to people who work offshore in the upstream petroleum industry and the diving industry are properly controlled. It does this primarily through assessing and verifying safety cases, supported by a programme of inspection, investigation, enforcement, advice and education. The core of the offshore safety regime is the Offshore Installations (Safety Case) Regulations 1992. We aim to revise these Regulations, to improve their effectiveness while reducing associated bureaucracy.

143 OSD supports HSC/E's mission by working with industry to enable the UK to become the world's safest offshore sector by 2010, and to significantly reduce work-related fatal accidents in the diving industry. Strategic Programmes are in place that focus resources on the reduction of major accident hazard risks, the unacceptably high levels of major and fatal accidents, and occupational health.

General overview

144 In 2004/05 for the offshore industry and the inshore diving industry the current figures for fatal accidents are zero and four respectively. The numbers of major incidents are 48 and eight for the offshore industry and the inshore diving industry respectively - very similar to 2003/04.

145 The offshore industry continues to develop an occupational health incident database to capture ill health (in addition to that covered by RIDDOR).

146 Serious challenges remain:

- pressures to reduce operating costs compete with the need to maintain integrity of ageing installations;
- the industry is in transition from dominance by the largest global producers to a mixed economy that includes new-entrant international operators and which is increasingly supported by major contracting companies;
- an increase in the number of depleted fields giving rise to an increasing number of platforms planned to be decommissioned.

A snapshot of activities during 2004/05

147 *General* HSE and the offshore industry's Step Change in Safety organisation (an initiative to deliver a major improvement in the industry's safety performance) are working together on a joint stand for the 2005 Offshore Europe exhibition.

148 HSE organised a major international conference for senior representatives of the offshore oil and gas health and safety regulatory authorities that was held at the QE2 Conference Centre in London. The Duke of York hosted the reception for this event at Buckingham Palace.

149 HSE introduced a news-sheet, *Tea-shack News*, that is published twice a year and targets the offshore workforce.

150 *Installation integrity* There has been considerable stakeholder engagement focused on maintaining the integrity of plant, equipment and structure critical to the management of major accidents offshore, particularly for ageing installations. We have regularly shared good practice findings (arising from inspections) with industry bodies. HSE has also worked closely with the industry to develop relevant industry-wide performance measures. There are indications from the data collected to date that the programme is beginning to have a positive impact on performance offshore.

151 *Reducing accidents in drilling and deck operations* During 2004/05 17 major-injury accidents in drilling and deck operations were reported, six investigations were completed, and five investigations were ongoing. There were 22 drilling installation inspections and 13 inspections of production platform deck operations.

152 *Reducing occupational health risks* HSE is continuing to promote industry awareness of health issues through presentations, joint work with industry, and internal and external guidance.

153 This included providing support for a benchmarking study of manual-handling safety culture offshore. This indicated high perceived standards by managers, supervisors and the workforce for all aspects of manual-handling safety.

154 *Reactive offshore intervention* HSE carried out a programme of interventions including 96% investigation of valid complaints and 98% investigation of incidents requiring mandatory investigation. During the year 646 incidents were investigated.

155 *Inshore diving inspection* Inspections continue to reveal a wide range of standards but there is general improvement in the planning and management of inshore diving across all sectors. Unfortunately this has not been reflected by a reduction in diving-at-work fatalities: there has been an increase from zero in 2003/04 to four in 2004/05. The year has also seen 25 recreational 'not-at-work' sports diving fatalities - the worst for many years.

156 *Offshore research and development* The final issue of *Offshore Research Focus* was published in June 2004. Since then information on OSD's research programmes has been included in the *Science and Research Outlook* (http://www.hsesro.com) that reports on all of HSE's science and innovation activities.

157 *Standards and external guidance* HSE released Safety Notices that deal with a number of issues including braking systems on offshore cranes, helideck foam production systems, acute health effects of hydrocarbon releases and LAN-based fire and gas detection. HSE contributed to the UKOOA-sponsored work by the Energy Institute to catalogue current standards and guidance for the offshore oil and gas industry and participated in the development of

international standards for offshore structures within ISO TC67/SC7.

Onshore Safety Sector

Introduction

158 In consultation with relevant stakeholders, we aim to reduce the risks of major accidents that could affect both workers and the public and also reduce the risks of injury and ill health in the following industries:

- chemical manufacture and storage;
- gas storage and transportation;
- mining;
- explosives;
- biological agents.

159 HSE's operating plans for onshore safety identified two key activities to fulfil our statutory duties:

- enforcing the Control of Major Accident Hazards Regulations (COMAH) 1999 at the 1100 establishments where they apply; and
- ensuring compliance with health and safety legislation within the industries.

General overview

160 HSE's Hazardous Installations Directorate (HID) can report a successful year in delivering its plans for onshore major hazard industries activities.

A snapshot of activities during 2004/05

161 *Chemical manufacture and storage* As part of the inspection plan to verify standards of compliance with COMAH, the Competent Authority (HSE and the Environment Agency (EA)) inspected two production units of a major chemical complex. The operator's safety report had identified the unit processes as having the potential for major accidents with considerable on- and off-site risks. The inspections revealed standards below expectation. The responsibilities of the senior management team were redefined and new arrangements to improve leadership, supervision, accountability and maintenance were introduced.

162 Following the publication of the BP Grangemouth report, HID has been working closely with industry and trade associations to gather best practice on developing process safety performance indicators. An initiative, supported by the Chemical Industries Association, has promoted the use of such indicators at all the major hazard sites. The United Kingdom Petroleum Industry Association (UKPIA) has endorsed this programme and the use of process safety indicators by member companies.

163 HSE has a statutory duty to provide advice to planning authorities on new hazardous substance consents plus the nature and siting of developments near to major hazard establishments and pipelines, with the aim of limiting the risks in the long term. We have processed nearly 4000 planning applications and dealt with 73 hazardous substance consent requests over the last year.

164 The Implementation of the Fundamental Review of Land Use Planning Project (IFRLUP) is drawing to a satisfactory conclusion with most milestones achieved. Rolling out of the IT package PADHI (Planning Advice for Developments near Hazardous Installations) is a major and final task, which will bring the project to a close in December 2005.

165 *Gas/pipelines* Following enactment of the Pipelines Safety (Amendment) Regulations 2003, HSE approved Transco's iron gas mains programme for 2004/05, requiring 2882 km of mains to be decommissioned. HSE monitored progress in accordance with its policy and Transco has met agreed targets.

166 HSE has worked closely with Transco, trade unions, the Office of Gas and Electricity Markets (Ofgem) and other gas industry stakeholders in preparing for Transco's proposals to sell four of its eight distribution networks. HSE has finished assessing Transco's revised safety case in preparation for the sell-off in mid-2005.

167 *Mines* Our investigation of the increasing number of underground mine fires during the previous year has resulted in the trend being reversed, with the operators concerned revising their emphasis and procedures. We have engaged with the largest operator to address shortcomings for controlling very serious reportable falls of ground with potential for multiple fatalities. To recover its position, the company is revising its ground control strategy. We have consulted the main trade unions during the intervention process.

168 *Explosives* Operators of licensed explosives sites had submitted a significant number of the safety reports assessed during the period. We provided support to this group of 'new entrants' to COMAH who had encountered difficulties in understanding and adequately responding to the needs of the regulations.

169 In anticipation of the proposed Manufacture and Storage of Explosives Regulations 2005, we have implemented revised quantity-distance rules for new explosives licence applications. This has reduced the off-site risks around sites handling smaller quantities of explosives.

170 During the year, we provided significant technical support to other government departments and enforcing authorities on security, safe handling and storage of ammonium nitrate.

171 *Biological agents* The Biological Agents Unit has continued to fulfil its statutory duties by operating notification and permissioning schemes under the Genetically Modified Organisms (GMO) (Contained Use) Regulations 2000, and Control of Substances Hazardous to Health Regulations (COSHH) 2002.

172 Other activities carried out included providing training and advice to HSE inspectors and local authorities

on the control of legionella; working with other government departments on civil contingency issues in relation to bio-security; providing advice and guidance to duty holders and key stakeholders.

173 *Process safety* The Process Safety Corporate Topic Group (CTG) has changed significantly. This has resulted in a redirection of process safety specialist resources towards front-line delivery of outputs needed to implement the Commission's Strategy and deliver the PSA targets.

Nuclear Safety Sector

Introduction

174 HSE is responsible for protecting the public and workers from the activities of the civil nuclear industry and parts of the nuclear defence industry. We do this by operating a nuclear licensing regime. There are 40 nuclear licensed sites of various sizes and types spread throughout Great Britain.

175 The industry has been going through a significant period of change and will continue to do so, especially with the advent of the Nuclear Decommissioning Authority (NDA), which came into being on 1 April 2005. The nuclear licensing regime and the HSE Nuclear Safety Directorate's (NSD's) approach to regulating and influencing such change ensures that people continue to be protected and reassured that both nuclear safety standards and the more general health and safety standards for workers in the industry do not slip but are enhanced.

176 NSD uses a variety of approaches to fulfil its regulatory oversight role in line with HSC/E's vision for health and safety in Great Britain. These approaches include:

- carrying out programmes of site inspections;
- assessing safety cases for plant modifications, periodic safety reviews, organisational changes etc;
- investigating incidents and taking appropriate enforcement action in line with HSE's Enforcement Management Model (EMM);
- engaging with stakeholders and working in partnership with others to fulfil our purpose.

General overview

177 During the past year, NSD has met its prime strategic goals - no major nuclear accidents and ensuring safe progress in reducing the hazard potential from radioactive wastes and nuclear decommissioning.

178 A significant aspect of NSD's work over the last year has been working with DTI, other regulators and the nuclear industry to ensure that NDA is set up in a way that delivers earlier nuclear decommissioning with high standards of health and safety, for less cost, and with due regard to environmental and security concerns.

A snapshot of other activities 2004/05

179 *Conventional health and safety at nuclear sites* NSD has focused on raising awareness of health and safety priority issues, in particular slips, trips and falls, working at height, working in confined spaces and workplace transport.

180 *Relicensing and restructuring programmes* NSD has successfully completed the project for the restructuring and relicensing of British Nuclear Fuels (BNFL). This has been a substantial and complex project involving significant numbers of assessments and audit inspections at sites, granting a large number of Licence Instruments and relicensing five nuclear sites.

181 *Environmental impact assessments* NSD undertook two public consultations and provided pre-application opinions for two nuclear power stations, in accordance with the Nuclear Reactors (Environmental Impact Assessment for Decommissioning) Regulations. In addition, we received two requests for consent to undertake a decommissioning project and accompanying environmental statements.

182 *Safety Assessment Principles (SAPs)* In December 2003 we started the project to revise NSD's 1992 Safety Assessment Principles. The work has progressed well and has involved engagement with other regulators and all nuclear licensees on proposals for revised SAPs. We plan to produce a document for public consultation by the end of March 2006.

183 *International work* In accordance with the international plan of work, NSD's priority has been participating in the development of international nuclear safety standards and practices. This is in the framework of the International Atomic Energy Agency (IAEA) and the Western European Nuclear Regulators' Association. This work continues to be of importance because of moves to impose common nuclear safety standards within the enlarged EU.

184 On behalf of the UK, NSD has participated fully in preparatory work for the meeting of the International Nuclear Safety Convention in April 2005. Work on nuclear security has continued and NSD has taken the lead among the G8 group to coincide with the UK presidency. We have maintained bilateral contacts, particularly with the USA, Japan, France and Ireland. NSD has continued to participate in providing assistance to the regulatory authorities of Russia and Ukraine.

185 *Nuclear skills* NSD continues to monitor nuclear power licensees' maintenance of essential research capability, and can confirm that it is being supported as agreed in our strategy. NSD is also satisfied that its nuclear licensees have all the necessary expertise within their own companies to undertake their operations safely. NSD has set down a strategy for nuclear skills and is working with other government departments and agencies to implement it.

Railway Safety Sector

Introduction

186 Our overall objective is to further reduce the likelihood of a catastrophic event and, together with stakeholders, to maintain an effective and efficient framework for continuously improving health and safety on the railways. This work supports HSC/E's Railway Strategy (http://www.hse.gov.uk/railways/hscstrategy.htm) and the demanding Rail Delivery Programme (RDP) (as described in paragraphs 188-189).

General overview

187 Overall, the safety record on Britain's railways continues to improve. We have seen a downward trend in accidents over the last ten years. During 2004/05, however, there was a major incident at Ufton Nervet level crossing when a high-speed train collided with a motor car and was eventually derailed resulting in seven fatalities.

188 *Rail Delivery Programme* HSE Rail (HMRI and Rail Policy) underwent considerable change during 2004/05. Part of this involved driving forward a major programme of work under the framework of the Rail Delivery Programme, using project working to achieve business, quality, and regulatory improvements in line with actions recommended by Lord Cullen (and subsequent Government commitments to railway safety).

189 Despite the challenging agenda, the programme has delivered to time and within budget. Of the 14 projects within the programme, 11 have delivered their intended intermediate outcomes/outputs and are being implemented. We have put a new organisation structure in place for HMRI and this is supported by improved processes for strategic and business planning, which will ensure a clear line of sight between HSC/E's vision, mission, PSA targets, and delivery.

190 *Legislative reform* Work to review and reform the railway safety regulatory framework continued. We developed detailed proposals and in September 2004, HSC published a formal Consultative Document containing draft Railways and Other Guided Transport Systems (Safety) Regulations or 'ROGS'. The aim has been to replace the existing regulations* with a single set of modernised, coherent and risk-based regulations; and at the same time to implement large parts of the European Railway Safety Directive (2004/49/EC). Following extensive consultation with a wide range of stakeholders, HSC approved the draft Regulations on 8 March 2005.

191 HSC submitted the draft Regulations to the Secretary of State, but with the advice to delay signing them. This is to allow the Regulations to be implemented at the same time as DfT regulations implementing the Interoperability Directives, which have been delayed. The current expectation is that ROGS may be implemented around the end of the year (2005).

* Railways (Safety Case) Regulations 2000 (amended 2003), Railways (Safety Critical Work) Regulations 1994, and Railways and Other Guided Transport Systems (Approval of Works, Plant and Equipment) Regulations 1994

192 *Merger of HSE Rail with the Office of Rail Regulation* On 15 July 2004, the Government's White Paper *The Future of Rail* set out the outcomes from the review of the structure of Britain's railways. It confirmed that the responsibility for the regulation of railway health and safety should transfer from HSC/E to ORR. This move requires primary legislation and the expected date for the merger is around the end of the year (2005). HSC/E is continuing to work jointly with ORR and DfT to ensure the transition goes smoothly.

A snapshot of activities during 2004/05

193 HSE Rail has continued to drive forward an integrated package of work to further deliver the railway strategy (eg through inspection, safety case assessment, targeted interventions, enforcement, policy advice, and guidance). We continue to focus on driving down catastrophic risk precursors as measured by RSSB's rail safety risk model. We adopted the industry's own target as the railways element of the major hazards target (for progress with the target see paragraph 132). However, this target is seen as aspirational and the railway industry, with HSE Rail's encouragement, is reviewing it to establish a more robust and realistic targets.

194 *Working with stakeholders* HSE Rail works with key industry stakeholders (including the RSSB, ORR and the Strategic Rail Authority (SRA)) to help build and solidify partnerships, and to present a clear picture of our role and focus.

195 HSE Rail has also supported the development of the Rail Accident Investigation Branch (RAIB), and provided input into the Rail Accident Investigation and Reporting Regulations (expected later in 2005) and the development of a joint protocol and working arrangements between RAIB, the British Transport Police (BTP), and HSE.

196 *Initial integrity and (safety by) design issues through inspections, approvals, assessments and authorisations* Throughout the year, HMRI continued to be involved with major railway infrastructure projects to ensure satisfactory resolution of safety issues and acceptable designs, and to enable timely introduction of services. These included the West Coast Main Line; Channel Tunnel Rail Link; Heathrow Airport Terminal 5 Railway Projects; London Cross Rail; Edinburgh Airport Rail Link; and the East London Line.

197 *Infrastructure/track maintenance and management of contractors* HMRI carried out a programme of inspections on track maintenance across representative selected locations within Network Rail and London Underground (LUL) systems. Inspections were also undertaken on the arrangements for the detection, prevention and management of broken and defective rails by companies maintaining the LUL track asset.

198 Network Rail completed its programme to cease contractorised maintenance and to absorb seven infrastructure maintenance businesses. HMRI closely monitored this process and arrangements for managing residual contracted renewal work, through the Network Rail Change Oversight Project. While HMRI challenged certain aspects of detail, we supported the objectives, outcome and the change risk management system that Network Rail employed.

199 *Level crossings* A key project within the Rail Delivery Programme addressed safety issues at level crossings, and the outputs from a number of work streams have informed priorities produced by the National Level Crossing Safety Group (NLCSG), which is chaired by RSSB. HSE Rail provides input to the NLCSG, which reviewed its composition and work activities after the tragic incident at Ufton Nervet.

200 *Signals passed at danger (SPADs)* HMRI works closely with the industry's programme to reduce and mitigate SPAD risk (including input to industry working groups and bilateral meetings with Network Rail). Overall, the risk of SPADs on the mainline network has reduced by 67% since March 2001.

201 *Train protection* HSE has continued to monitor delivery of the work of the National European Rail Traffic Management System (ERTMS) Programme led by the Strategic Rail Authority.

202 *Route crime (trespass and vandalism) and assault* HMRI targets its inspections on trespass and vandalism hot spots and produced revised guidance for inspectors on lineside security and lineside materials management, in consultation with the industry. HMRI worked closely with the industry's National Route Crime Group, and has continued participation in its education programme to raise awareness of route crime risks among young people. HMRI has progressed work to develop route crime policy and strategy.

203 Through active participation in the Rail Personal Security Group, HSE is working with the rail industry in tackling staff assaults. Benchmarks for compliance in managing the risk of violence to staff were recently published after consultation with the rail industry.

204 *Incident investigations* Some of the more significant investigations that HMRI has been involved with include the Ufton Nervet level crossing incident; LUL's White City derailment; the Tebay engineering trailer incident; and LUL's Camden Town and Hammersmith derailments.

205 *Employee (track worker) safety* HMRI carried out targeted interventions examining:

- safety-critical communications standards between track workers and signallers; and
- practical application of Network Rail's 'RIMINI' (risk minimisation) standard governing the safety of track workers during red zone working.

206 HMRI is producing reports containing recommendations to help the railway industry to improve safety standards for track workers. HMRI has worked with the industry to address the safe use of road rail vehicles and other on-track plant, following a series of incidents involving the use of this equipment in track possessions.

207 *Occupational health and slips and trips* HMRI has run special projects to investigate manual handling risks among trackside workers, post-traumatic stress disorders in train drivers, minimising slip and trip risks, and hand-arm vibration in railway workers. HMRI is developing revised guidance on welfare provisions for railway workers.

208 *Public inquiry recommendations* A progress report on public inquiry recommendations was published by HSE in September 2004. Only 27 (of 295 recommendations in the four reports from public inquiries) remain to be implemented.

209 *European Directives and ILGGRI (International Liaison Group of Government Railway Inspectors)* HSE Rail provided input (via DfT) to a draft proposal for a Directive to harmonise standards across European urban rail systems.

210 The European Railway Agency (ERA) published its approved work plan for the year 2005/06. HSE Rail reviewed the plans and identified key areas that impact on the way safety is managed on Britain's railway network.

211 HSE Rail provided advice on safety aspects of the proposed Social Partners Agreement covering cross-border workers.

212 HSE Rail attended meetings as part of the SAMNET project funded by the European Commission to look at common standards of assessment for safety management systems required by the Railway Safety Directive.

213 HSE Rail continues to play a key role in ILGGRI. This work includes rationalising the structure of ILGGRI to prepare for future work with the European Commission (EC) on the harmonisation of safety certification. HSE has launched and is hosting the new ILGGRI website at: www.ilggri.org.

214 *Channel Tunnel Safety Authority (CTSA)* HSE Rail has continued to support the work of the bi-national CTSA. The UK Secretariat of the Authority is based within Rail Policy, although the work of the Authority is independent of HSC/E. The Authority plans to publish its own Annual Report in September.

Strategic Enabling Programmes

Local Authorities and HSE Working Together

215 LAs are responsible for enforcing health and safety law in over a million premises and in relation to more than 12 million employees. This includes many in the services sector, eg offices, shops, retail and wholesale distribution, hotel and catering establishments, petrol filling stations, residential care homes and the leisure industry.

216 LAs have a pivotal role to play in ensuring that risks in the changing economy are properly controlled. With the growth of services, these enforcement responsibilities have become increasingly important. The Commission's Strategy makes it clear that HSE and LAs need to work in a closer partnership in order to support a consistent approach to business, and to make the best use of HSE's and LAs' combined resources. It also acknowledges that delivering an effective partnership may require changes to current ways of working and existing institutions, if they prove obstacles to progress.

217 In response, the Executive established this Strategic Enabling Programme to deliver the Commission's Strategy in respect of the new partnership between HSE and local government. The first step was to develop a joint approach to setting up and delivering the Programme with LACoRS as a practical means for representing local government at the heart of the Programme.

218 Good progress has been made in the first year of the Programme. Initially, we concentrated on developing both the principles for the partnership and for engaging widely with the LA community. A key thread for all elements of the Programme is communications - with some 410 individual LAs, and with the various interests, such as the national HSE/LA Enforcement Liaison Committee (HELA), elected members of LAs, senior officers, practitioners, and the professional institutions such as the Chartered Institute of Environmental Health (CIEH) and the Royal Environmental Health Institute of Scotland (REHIS). There are also some challenges in raising HSE's collective appreciation of the role of LAs and the part they can and do play in the wider safety system. The establishment in 2004, by LACoRS, of a Health and Safety Policy Forum has been a particularly helpful mechanism for communicating and engaging with LAs.

219 A guiding principle has been that the partners themselves should undertake the development of a partnership. Thus, the direction of the Programme is through a Programme Board jointly chaired and staffed by HSE and local government officers. A second principle - the partnership's dependence on the support of LA politicians - has been recognised through a Steering Group of Commissioners and LA elected members. The first and critical output of the joint programme was a high-level agreement (the 'Statement of Intent'), setting out the commitments that provide the framework of objectives for the Programme. HSC/E and LA representative bodies agreed this in July 2004. In summary, it commits the parties to:

- developing an effective partnership between HSE and LAs, making the best use of their respective strengths to tackle national, regional and local priorities for health and safety;
- a joint approach to developing the partnership;
- improving communications between HSC/E and LAs, including LA involvement in the development of policy advice to HSC, and in the planning and delivery of operational activities;
- providing information, guidance and support to enforcing authorities equitably;
- examining and adapting as necessary the institutions and legal framework which currently underpin the relationship between HSC, HSE and LAs;
- developing arrangements for monitoring and auditing the work of the enforcing authorities that properly reflect the status of HSE and LAs as partners;
- contributing effectively to current and future initiatives to improve the consistency and co-ordination of central and devolved government requirements which impact on regulatory services.

220 The programme has planned its detailed work in four distinct areas:

- front-line work and interventions;
- governance and management arrangements;
- support programme; and
- communications.

221 Current work underway includes:

- mapping and promulgating existing good practice in partnership working between HSE and LAs. The initial outcome was the publication of a *Best Practice* guide in March 2005;
- the establishment of partnership teams in each of HSE's geographical divisions aimed at working at a strategic level with LAs as well as building local relationships at 'practitioner' level;

- reviewing the Enforcing Authority Regulations 1998 (the legal framework underpinning the relationship between HSC/E and LAs) to ensure they are fit for purpose and support the partnership and associated new ways of working;
- reviewing the HSC/E-LA liaison and governance arrangements, including HELA, to adapt the existing arrangements so they are best shaped to support the longer-term partnership;
- developing an IT-based tool (an extranet) so as to better share information and enable communication between HSE and LAs;
- identifying and assisting in the training, information and support needs of LA staff. Research by King's College, London, has provided a picture of the current position and identified areas for the programme to concentrate on;
- making science and technology support available to LAs, including the provision of £5 million over four years for this purpose.

222 The annual HELA conference in December 2004 emphasised the commitment by HSE and LAs to develop a practical and effective partnership. The keynote speaker was Philip Hampton who spoke strongly in support of the Programme objectives, which resonated with his views of how regulation needed to adapt and deliver what business needs.

223 On the day-to-day fieldwork of LA enforcement officers, there are encouraging signs that more LAs are adopting the topic-based approach to inspection (as endorsed by HELA), reflecting the priorities for action identified by HSC. This approach will be supported by the growth of joint fieldwork with HSE under the Programme, and also reflects the conclusions of the Hampton report about the need for regulators to ensure that their interventions are driven by assessments of risk.

224 The Programme aims to have secured the key elements of the partnership, and the various mechanisms to sustain it, by the end of the 2005/06 work year.

Worker Involvement

225 We have been working with stakeholders to devise a programme of activities to deliver HSC's *Collective Declaration on Worker Involvement* that was published in March 2004. In February 2005, the Commission approved the programme in principle. It is based on:

- promoting innovative ideas for encouraging more worker involvement through the intervention of a workers' safety adviser, in the first place through administering the Workers' Safety Adviser (WSA) Challenge Fund (see paragraphs 229-233);
- securing widespread stakeholder commitment to the idea of worker involvement as a key component of sensible health and safety management; while in parallel commissioning research to improve the evidence base for the impact of worker involvement on health and safety outcomes;
- capturing, publishing and promoting case studies of effective worker involvement that demonstrate practical business benefits (not just health and safety benefits) and practical benefits for individuals;
- communicating to stimulate changes in attitudes and beliefs so that people feel that health and safety is worthwhile, worker involvement in health and safety is sensible and getting involved is the right thing to do;
- stimulating the provision and take-up of training in appropriate skills and knowledge (including but not limited to the 10 000 safety representatives who undertake training each year);
- providing better guidance and web-based resources for inspectors, employers, safety representatives and workers who are not union members; and
- showing leadership from HSE and local authorities.

226 The programme also includes a project to consider some regulatory changes, namely:

- a new duty on employers to consult safety representatives on risk assessments;
- a new duty on employers to respond to safety representatives' representations; and
- to clarify when safety representatives can represent employees at workplaces other than where they work.

227 The intention of the Programme is to create a climate for effective dialogue between employers and workers, in the belief that this will lead to an ever more constructive partnership between employers and workers in health and safety matters. In this way, we will contribute to the development of high-performing workplaces. In the long term, it will also reduce the need for formal regulation.

228 HSE has worked closely with TUs on several issues relating to worker involvement, including:

- revising the accident book so that those injured at work can give consent to disclosure of information about their accident to safety representatives; and
- publishing information about workers' health and safety rights in 22 languages.

Workers' Safety Adviser Challenge Fund

229 This is a grant scheme designed to increase worker involvement and consultation through the intervention of a WSA.

230 The first year of the WSA Challenge Fund has been a success. Announced by the Rt Hon Andrew Smith MP in October 2003, Bill Callaghan formally launched the fund on 31 March 2004 and projects began on 1 July 2004. DWP has allocated funding of £3 million over a three-year period for projects that develop and improve worker involvement and consultation in occupational health and safety in SMEs. Project North East, a not-for-profit enterprise based in Newcastle-upon-Tyne, has been appointed to manage the fund on behalf of HSE, and Greenstreet Berman has been appointed to evaluate it.

231 In the first year, 12 projects were successful in the competition for funding. Each project was awarded between £33 000 and £100 000. Winners were from a wide range of industries, including construction, hospitality, retail and the voluntary sector. Project partners included trade unions, trade associations, local authorities, primary care trusts, voluntary and business organisations.

232 Some projects have been over-subscribed with employers who want to join the scheme. Other projects have had to say 'no' to employers who wanted to participate but who were outside the scope of their project's remit. Several projects have reported that their WSAs have faced real challenges in satisfying the demands of employers and workers on their time, once they had got into organisations and raised the level of health and safety awareness.

233 In one project, 17 separate businesses located in one premises were tackling health and safety in isolation. The WSA encouraged these organisations to work together and helped them to establish a health and safety committee that included workers from each firm, together with representatives from the building management team. The committee has discussed a number of key issues and helped firms to improve their health and safety management.

Business Involvement

234 HSC/E can report considerable progress during the course of the year in taking forward measures to promote and encourage awareness of the importance of greater corporate responsibility for health and safety and the business and social benefits this approach brings.

235 Evidence from HSE research shows:

- increasing numbers of boards of directors of organisations in all sectors are providing leadership and direction on health and safety in line with HSC guidance, *Directors' responsibilities for health and safety* (http://www.hse.gov.uk/pubns/indg343.pdf);
- a growing number of large organisations are reporting publicly on their health and safety performance in line with HSC guidance, *Health and Safety in Annual Reports* (http://www.hse.gov.uk/revitalising/annual.htm).

236 During the course of the year, HSE has undertaken work to build the evidence base and develop tools for stakeholders (including business, institutional investors, insurers, employers and trade unions) to further our goal of achieving greater corporate responsibility and accountability:

- HSE published a series of case studies in February 2005, including Hilton International and Buckingham County Council, exemplifying the business and social benefits of director leadership on health and safety;
- in autumn 2004, HSE published a series of case studies demonstrating the business benefits of a range of initiatives designed to improve health and safety - a number of these case studies, including Associated Octel and the Port of London Authority, featured in a national publicity campaign run by HSE to promote health and safety in spring 2005;
- HSE is currently developing the Corporate Health and Safety Performance Index (CHaSPI) and the health and safety performance indicator for SMEs to assist employers to improve their management of health and safety. These initiatives will also provide influential stakeholders, including investors and insurers, with a tool to help them to engage more effectively with organisations to drive health and safety improvements. The SME indicator was launched in December 2004 - HSE is planning to launch CHaSPI in July 2005;
- research is currently underway to examine the drivers that motivate and influence directors to take responsibility and provide leadership on health and safety and to explore how directors exercise those responsibilities.

Small businesses

237 In September 2004, Small Business Commissioner Judith Donovan established the Small Business Forum to ensure that the 'voice' of small business is heard by HSC/E. The aim of the Forum is to consult organisations involved in working with or advising small businesses and to get direct feedback, through their knowledge and experience, of health and safety issues in the small business setting. Forum members are generally representatives from trade associations in sectors where small businesses are predominant.

238 The Forum acts as a sounding board for new operational and policy initiatives. The intention is to improve assessment of proposed policy and legislation to ensure it fully takes account of the real impact on small, and more particularly, on microbusinesses. HSE recognises that very many small and microbusinesses are very keen not only to comply with health and safety legislation, but would like to work towards higher standards rather than just complying with the law, but they need some help. So the Forum also scrutinises developing initiatives to ensure that they are small-business friendly. The Forum is a demonstration of HSE's commitment to 'Think Small First'.

239 HSE and LAs have continued to work together to improve health and safety management in small businesses. The FOD North West Division worked in partnership with 17 other agencies (enforcement and private) and voluntary sector organisations to provide an event where small businesses got to meet those organisations which can help them stay safe and healthy, comply with employment legislation, get the funding they need and operate successfully. HSE's highly successful SHADs have continued to engage with small businesses, particularly in the farming sector. HSE has also developed partnerships with Businesslinks at local level and is taking part in their multi-agency programmes to provide information and support to small businesses.

240 HSE is working closely with www.businesslink.gov.uk, the designated government portal

for small businesses on the web. This is a 'one-stop shop' for small businesses to access relevant information from all government departments. All new HSE initiatives will be linked to this website. We continue to review the small business pages of the HSE website for presentation and content.

Enforcement

241 The Commission's Strategy recognises that 'Our evidence confirms that enforcement is an effective means of securing compliance and promoting self-compliance. HSE and LA resources are limited and need therefore to be targeted to where they can have the most impact.'

242 We therefore need to ensure that enforcement is used appropriately, effectively, efficiently and in a targeted way, and have established this Programme which will look at ways that formal enforcement activities can:

- help support reduction of injuries, cases of ill health and time lost caused by work, particularly in the areas where such injuries and cases of ill health are prevalent (the Fit3 Programme); and
- focus on those who show reckless disregard for health and safety requirements.

243 The programme will also look at how we can:

- share lessons learnt from investigations by promptly sharing experiences - internally within HSE and with LAs, and externally with duty holders - in parallel with bringing duty holders to account; and
- gain widespread recognition for the role of enforcement in supporting sensible standards of health and safety.

244 For the purposes of the programme, enforcement means 'formal enforcement activities' (prosecution, Crown censure, service of Notices, withdrawal of licences outside the major hazards sectors and formal cautions), rather than the wider meaning of enforcement contained in HSC's Enforcement Policy Statement, where enforcement is taken to apply to all dealings between enforcing authorities and duty holders. In particular, the formal actions only available within the major hazards permissioning regimes, eg non-acceptance of a safety report or refusal to issue consent to start up a nuclear power station, are outwith this programme, because these activities are being considered in other programmes of work.

Supporting HSE's programme delivery

Policy

245 The overarching objective of the Policy Enabling Programme is for HSE to lead the way in applying the Government's *Better Regulation* principles, while supporting delivery of the Commission's Strategy and PSA targets. We describe this as 'Regulating for Results'. This work includes the Business and Worker Involvement Strategic Enabling Programmes.

Better Regulation

246 HSC/E aims to be a leading performer in applying the Government's *Better Regulation* principles. Both HSC and HSE have followed such principles since the early 1990s. They are embedded in policy-making and enforcement, and underpin the Commission's Strategy. Some indicators of *Better Regulation* performance for the year are provided as follows:

Regulatory reform action plan (RRAP)

Measures in RRAP	11
Completed	4
On target	4
Slipped	3
Dropped	0

247 A simplification measure completed during the year repealed most of the Explosives Act 1875 and 37 items of secondary legislation relating to the manufacture and storage of explosives, and replaced them with a single set of regulations. The measures that have slipped are being reassessed to bring them into line with the Commission's Strategy.

248 New measures will also be added during 2005. For example, on 31 March 2005 consultation began on proposals for a single set of regulations covering construction work. The proposals aim to reduce bureaucracy and improve the general business management of construction projects.

249 HSE has undertaken additional work not currently included in the action plan, to help stakeholders meet their legal responsibilities. An example of this is its work as a member of the Strategic Forum for Construction in contributing to the publication of *Respect for People - Code of Good Working Health and Safety Practice*. The code is designed to encourage commitment to higher standards of health and safety. It sets out the key actions that stakeholders can take to raise the industry's health and safety performance. It highlights leading issues that should be addressed and provides a ready guide to key information sources for those seeking to bring about change other than by reliance on the regulator.

Delivering Regulatory Reform Orders (RROs)

250 HSC/E has not made use of RROs. Almost all health and safety legislation is secondary (made under the Health and Safety at Work etc Act 1974) and there has been no need to reform the primary legislation.

Regulatory impact assessment (RIA)

251 HSC/E has achieved 100% compliance with the RIA process. A RIA was produced for all policy proposals that had an impact on business, charities or voluntary bodies, in compliance with Cabinet Office guidance.

Examples of effective RIA use

252 HSE has used a cost benefit analysis approach to policy development since the early 1980s. This now forms a key part of the Government's RIA process.

253 A RIA was developed for HSE's work-related stress management standards. Although the standards are an alternative to legislation, HSE considered a RIA would demonstrate the business case for tackling stress and show that the proposed approach could integrate with existing management systems at minimal cost. The RIA also highlighted the need for additional case-study research to provide quantifiable data on the benefits of stress interventions.

Plans to improve RIA quality

254 HSE's economists have traditionally carried out much of the work in developing RIAs. During 2004/05 policy-makers have become more engaged throughout the process. This is encouraging more coherent and transparent policy-making. Work is also under way to produce better estimates of compliance rates. A model is being developed that should allow HSE to estimate expected levels of compliance with proposed policies.

255 HSE will review and update internal guidance on RIA development to ensure that it fully implements Cabinet

Office requirements; it will also implement forthcoming NAO recommendations where HSE's RIAs fall short of best practice.

Consultation

256 During the 2004 calendar year, there were 19 consultations started. Of these, 18 lasted 12 weeks or more. There was one limited consultation period, which related to the Work at Height Regulations - HSC approved a follow-up consultation period of six weeks to focus on a specific issue identified during previous extensive consultation.

Consultation best practice

257 HSC/E has a long history in consulting stakeholders; HSC has a statutory duty to consult before proposing new or revised regulations. HSE begins consulation at an early stage in policy development, eg using a discussion document to draw in new ideas and develop stakeholder ownership ahead of a full consultation exercise. This approach has been used in reviewing the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. The discussion document was developed with the help of key stakeholders, who were invited to discuss HSE's plans at a public forum event.

258 Examples of effective consultation during 2004 include a proposal (derived from an EC Directive) to ban cement containing hexavalent chromium. Consultation indicated that it was those down the supply chain (ie cement preparation manufacturers and other end-users of cement) who were least prepared for the change and, in some cases, faced major challenges in achieving compliance when the ban became law. Subsequently, HSE and the cement manufacturers convened a working group representing relevant trade associations, workers and enforcing authorities. The group members identified issues and solutions, and developed and disseminated information tailored to their constituencies. In addition, the enforcing authorities adopted and publicised a 'light touch' approach to enforcement for the first year.

259 During development and piloting of HSE's work-related stress management standards, but prior to public consultation, HSE engaged extensively with stress experts and employee representatives. Engagement was through a series of interactive workshops, followed by email updates. For the public consultation exercise, HSE developed an online consultation page and feedback tool. It also hosted a discussion forum for registered contributors. The consultation campaign was supported by the distribution of 650 000 CD-ROMs to target sectors, via selected publications. The CD-ROM contained an introductory video, the consultation documents and a link to the website. These initiatives ran alongside the usual consultation methods. The online consultation enabled HSE to monitor progress and address problems at an early stage. Interim reports informed the development of the final standards in parallel with the consultation progress. This enabled the standards to be launched to target on 3 November 2004. The online discussion group encouraged sharing of views on the proposed standards and the scale of the consultation has helped raise awareness of HSE's work in this area.

Alternatives to regulation

260 During 2004 HSC/E reviewed its legislative programme, reshaping it in the light of new priorities, *Better Regulation* principles and the availability of resources. Sixteen proposals were stopped and a further eight were put on hold pending consideration of alternatives to legislation.

261 The management standards, offering practical advice to businesses on stress at work, were developed as an alternative to imposing potentially burdensome regulations. The standards were designed to help employers meet existing legal duties, ie to carry out a suitable and sufficient assessment of the risks to the health and safety of their employees. The standards are supported by guidance and tools, which are available on HSE's website at: http://www.hse.gov.uk/stress/standards. These enable employers and employees to work in partnership to identify the causes of stress, develop locally-relevant solutions and prioritise actions.

Commitments to review regulations

262 HSE has an integrated research programme that addresses both generic and specific occupational health and safety issues across the complete spectrum of HSC/E's regulatory responsibilities. This includes work contributing to the review of regulations. RIAs of all major proposals contain a commitment to review the regulations. For instance, a baseline is being established to enable future evaluation of the Work at Height Regulations.

Transparency of implementation plans for European legislation

263 HSE's *Euronews* publication provides updates on the progress of health and safety-related European legislative proposals, from inception to adoption and transposition into UK law. Five editions are published each year as a hard copy insert to the *HSC Newsletter*. *Euronews* is also available on the HSE website at: http://www.hse.gov.uk/aboutus/europe/euronews.htm.

Common commencement dates

264 HSE implemented common commencement dates with effect from 2005, the second government body to do so. This means that, with ministers' agreement, regulatory changes arising from within the UK will be implemented on only two dates each year, ie 6 April and 1 October. HSE will also aim to do this for regulations originating from Europe where possible. In February 2005 HSE issued its first biannual statement of what the expected changes would be. Harmonising commencement dates should help those affected (ie businesses, employee representatives and individuals) to be more aware of forthcoming changes and better able to plan for and implement new measures effectively.

The Hampton Review

265 The Hampton Review considered, with business, regulators, and in consultation with the Better Regulation Task Force, the scope for promoting more efficient approaches to regulatory inspection and enforcement while continuing to deliver excellent regulatory outcomes. We share this aim and have been actively engaged with the review team. HSC/E looks forward to implementing the review's recommendations.

266 Full details of HSE's legislative activities during 2004/05 can be found in Annex 2.

Communications

Overview

267 We built up and reorganised our communications capacity during the year to achieve some fundamental changes - a shift from reactive and tactical initiatives to strategic communication, and from providing information to changing behaviour.

268 With reinforcement of our communications team - including account managers to handle campaigns and co-ordinate internal client needs - and some solid successes in our first year of the new Communications Directorate and Communications Delivery Service (described in paragraphs 270-289), we are well positioned to shift next year into more large-scale campaigning.

269 Results of our first surveys to baseline our communications tell an encouraging story. We continued to score high on familiarity and favourability with citizens, employees and employers in a repeat MORI poll. We were particularly delighted to learn how high our stock is with chief executives - some 90% of them rated us favourably. Their attitudes to health and safety were similarly positive with nearly four in five agreeing that health and safety benefits their company and 65% that health and safety requirements save money in the long term.

Our strategy

270 We started the year with Board and HSC agreement to a new communications strategy. Built on the seven objectives set out in headings below, the communications strategy focused our corporate communications activity on key target audiences: staff, national government, and key stakeholders and opinion formers.

Reorganising communications

271 We reinforced our capacity to integrate corporate communications with new teams to improve stakeholder engagement and internal communications, and set up a new account management function within the Communications Directorate to manage major campaigns and help internal clients develop communications activity.

272 In October, we converted our Directorate of Information and Advisory Services into a Communications Delivery Service and reorganised it into Online Services, a new Commercial team charged with generating income from publications and a Creative Services team bringing design, editorial and publicity resources together.

273 A network of communications partners throughout the organisation provided a valuable channel for collecting staff views and spreading information about communication priorities.

Promoting the case for health and safety

274 With a new focus on key stakeholders, including parliamentary and political stakeholders, Commissioners promoted the sensible health and safety case at party conferences in autumn 2004 and Bill Callaghan hosted a round-table dinner event in January to promote a debate on risk. He continued the theme in 2005 at a March seminar on risk and compensation addressed by the Lord Chancellor. Commissioners' extensive activities to promote health and safety messages with stakeholders are detailed in *The Commission's work during 2004/05* on page viii.

275 Our campaign to promote the business case for health and safety ran in February with advertising in national and trade press and on radio, supported by direct mail and a website. The campaign secured over 22 000 visits to our *Better Business* website and over 5000 copies of the campaign booklet were downloaded. The theme will be continued next year at conferences and other high profile events. We started work on large-scale new campaigns to run later in 2005 on back pain and slips and trips.

Presenting a clear picture of HSE's role

276 New media tracking data available from October 2004 onwards showed our coverage evenly divided between positive and neutral and only 7% negative coverage. But the national press continued to misattribute to HSE various 'bans' - mountain climbing without scaffolds, Maundy Thursday foot washing in church, hanging baskets, conkers without goggles, swimming pools. We shall continue to try to set the record straight on what sensible health and safety means.

277 A News Centre on our website was introduced to provide journalists with easy access to HSE information, and our Press Office publicised interventions and enforcement activity including the outcome of prosecutions.

278 Throughout January-March 2005 we ran a trial to boost support from the Government News Network to our Yorkshire and Humberside FOD regional team to test the impact on the quantity and quality of media coverage. By the end of February the impact on volumes was clear - coverage had increased significantly compared to other HSE Regions.

279 Information remains an important part of what we do and at the core of this work is:

- the HSE website - each month over 530 000 visitors made 1.6 million visits;

- *HSEdirect*, which provides access to HSE information by subscription;
- HSE Books, distributing publications, videos, and electronic products;
- Infoline, our contact centre, which handled over 270 000 inquiries with high service standards - 83% of calls answered within 15 seconds and all queries responded to within ten days.

Building partnerships

280 We identified the need for more co-ordinated and focused approaches to key corporate stakeholders and commissioned research from the Central Office of Information to provide an evidence base for prioritising our effort and developing plans. We concluded that we needed to focus on a small number of key stakeholders of critical importance to delivering our targets. We put in place arrangements to co-ordinate our communications with them.

281 Major corporate events to build partnerships included a chemical industries seminar in March, the Construction Summit in February, and a meeting of heads of communications from organisations with a major health and safety interest, who agreed to work more closely in order to achieve greater communications impact. The Commission also held its first open meeting, which was well attended by a wide range of stakeholders.

Internal communications

282 We gave high priority to improving staff communications during the year (in response to staff survey information which showed dissatisfaction). We reviewed our internal communications channels - a house journal, global emails, and other management communications systems. In response to comments collected we launched a redesigned journal, an electronic weekly briefing system, a new corporate 'cascade' briefing system and re-reviewed them at the end of 2004. Further changes will be made to respond to staff views.

283 We listened to staff requests for more visible leadership and organised 30 roadshows in 2004 led by the Director General, Chair and Commissioners. These reached 1200 staff and a further round started in early 2005. These events are complemented by more Board visits to HSE offices and a hands-on role for board members in health and safety tours. The Director General launched a website for direct inquiries from staff, resulting in 62 inquiries and 6000 visits to his homepage by the end of March 2005.

284 Major internal campaigns were run to keep staff informed about pay negotiations, our new Merseyside Centre, a reorganised programme structure, and health and safety campaigns on MSDs and display screen work.

Strategic communications

285 We developed new infrastructure arrangements (new planning, information and project tracking systems) to accompany structural and organisational changes to improve co-ordination and integration of our communications.

286 The Board agreed that we should continue to aim to generate £5 million revenue from a smaller range of priced publications and other products. We started the process of converting free and priced publications for the web and will step up these efforts in 2005/06.

287 We developed a new brand identity during the year, which retains our existing logo. This was applied to new publications, new promotional material, our website, an HSE PowerPoint template, and - as stocks are depleted - to new stationery.

288 We invested in research to underpin our efforts to improve communication. We baselined our activities with stakeholders and main target audiences. A repeat MORI survey confirmed attitudes to health and safety and HSE. A survey of MPs showed an increase in impressions of HSE effectiveness over a six-month period in the year. We ran surveys among employers and employee groups to better understand attitudes and perceptions of health and safety such as managers and employees in construction, in the waste recycling sector and across a range of business sectors facing health risks. We targeted stakeholder groups whose behaviour can have a significant impact on our targets including chief executives, elected members and health and safety practitioners in local authorities and primary care trusts. These studies will underpin new communications strategies. We also market tested products - a name for the new occupational pilots, promotional material on stress standards, asbestos, COSHH and business case and workplace transport campaign material.

Developing a communications culture

289 We aim to raise the competence and confidence of HSE staff in communications and started a long-term training initiative with basic communications planning training for 40 senior civil servants. We made similar provision for communications partners, and project managers in the construction and chemicals programmes.

Science

290 High-quality science and engineering is a key element in delivering the HSC vision and mission for workplace health and safety. It provides HSC with evidence on the causes of ill health and incidents in the workplace. It influences our priorities and contributes to developing solutions to control workplace risks. The Government's Chief Scientific Advisor is currently undertaking a review of HSE science, covering all activities from horizon scanning for future issues to maintenance of existing scientific expertise. HSE has conducted a self-assessment, based on the ten review criteria, which will be published as an annex to the external review. The external review team has completed a scoping study and set up a steering panel for the review. The steering panel has identified four case studies, encompassing the breadth of HSE's regulatory responsibilities, to provide information on how HSE's science operates in practice. The review team is likely to report their findings in autumn 2005.

Science strategy

291 A new HSC science strategy, *Gathering evidence, developing understanding, identifying solutions* has been produced, which describes how HSE will apply its science resources to help deliver the Commission's Strategy. The strategy has been revised in light of the comments received following open consultation towards the end of 2004 and will be published in summer 2005. For further information see: http://www.hse.gov.uk/science/strategy.htm.

Horizon scanning

292 We need to identify issues with the potential to change or present new workplace risks in the medium to long term. HSE has established a Horizon Scanning Unit, which will assess and help prioritise intelligence on new developments. This will allow HSC/E to identify where further work is justified and will inform HSE's future needs for scientific expertise.

Science communication

293 There were 83 research reports on newly completed projects published on the HSE website. We continue to develop and improve our science internet pages so that information is more accessible.

294 The new HSE *Science and Research Outlook* (SRO) website was launched in October 2004 (http://www.hsesro.com).

295 The SRO website and newsletter is a dynamic and interactive vehicle for sharing and engaging with stakeholders on science. Two issues have been published, containing 25 articles on such diverse topics as nanotechnologies and violence towards taxi drivers. Over 2500 people have registered with the site worldwide and this is increasing each month. There have been over 10 000 hits, with many interesting comments received via the interactive feedback feature.

296 The research projects directory (http://www.hseresearchprojects.com/About.htm) now provides rapid access to over 1400 current and completed projects. In its first year of operation, there have been over 30 000 searches of the directory and over 70 000 'hits' on individual project records.

New HSL facilities at Buxton

297 HSL occupied its new laboratory at Buxton, built under the Private Finance Initiative. For almost the first time in its history, all HSL staff are under the one roof in a state-of-the-art laboratory. The construction was completed to time and budget, and HSL took occupancy with minimum disruption to its work. As part of the project, HSL's old premises in Sheffield were sold to Sheffield University. The project demonstrates the importance of science in HSE's work and represents a major addition to the UK's scientific capabilities.

Science resources

298 In 2004/05 HSE spent £34.6 million on commissioned science and technology (not including science funded through HSE by industry (£5.2 million)). Of this £34.6 million, £11.6 million was spent on research commissioned with external bodies, and £23 million was spent on research plus scientific and technical support with HSL. A breakdown of the science expenditure across the HSE programmes is shown in Figure 4.

299 The pattern of expenditure differs from the 2004/05 Business Plan as the science budget is highly responsive to the need for reactive support and incident investigation. Examples of work completed in 2004/05 included:

- approximately £700 000 scientific support to the investigation of the Stockline Plastics explosion, Glasgow;
- health and safety of homeworkers, good practice case studies;
- factors inhibiting the greater involvement of employees in health and safety activities;
- the development of case studies that demonstrate the business benefit of effective management of occupational health and safety;

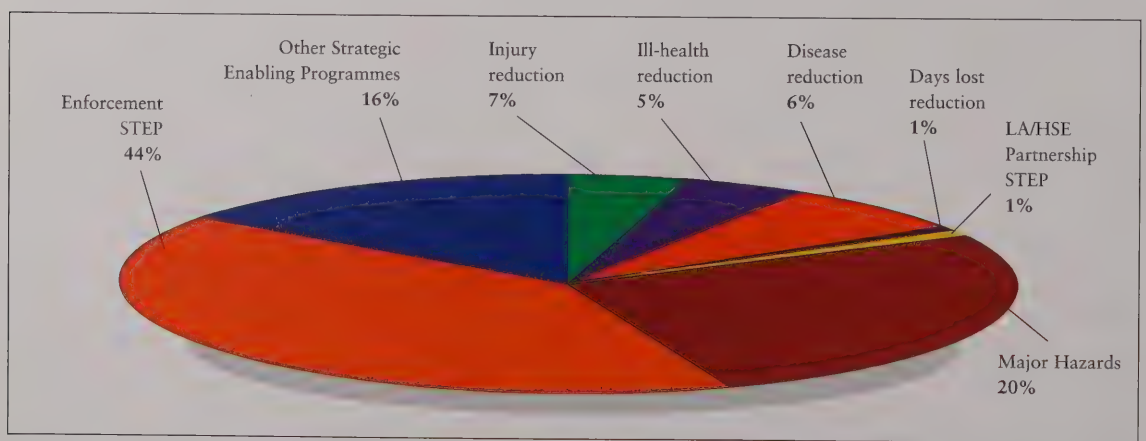


Figure 4 Percentage expenditure on science across HSE programmes (total expenditure £34.6 million)

- occupational health and SMEs: focused intervention strategies;
- evaluation of Computational Fluid Dynamics (CFD) to predict smoke movement in complex enclosed spaces.

Risk management and risk education

300 Decision-making about **sensible risk management, sensibly applied** is at the heart of the regulatory regime for ensuring effective control of work-related health and safety. HSC/E's basic approach comprises:

- better regulation through proportionality, consistency, transparency, targeting and accountability, and promotion of cross-departmental co-ordination in risk management;
- effective communication to stakeholders to help them understand HSC/E's messages on risk management, and to enable them to make sensible decisions on risk control;
- equipping young people with the necessary knowledge and skills to be risk aware and risk responsible;
- supporting safety-critical professionals in addressing, at source, risk in both work practices and design.

Activities undertaken during 2004/05

Guidance for duty holders on risk-based decision making

301 The *Risk management* pages on HSE's website (http://www.hse.gov.uk/risk/index.htm) were redesigned to make them more relevant to HSC/E's approach to sensible risk management, providing straightforward explanation, FAQs, and links to HSE's guidance such as *Five steps to risk assessment*. Software development of an interactive version of *Five steps to risk assessment*, in relation to the general office environment, has been completed and trialling is currently taking place.

302 A suite of key messages supporting HSC/E's sensible risk management approach was developed; they will form the basis of a focused HSC campaign on sensible risk management in 2005.

Develop policy on aspects of HSE's risk-based decision making

303 To further ensure a consistent approach to risk management from HSE inspectors, additional guidance was produced for HSE staff on judging whether duty holders have met the legal requirement to reduce risk to 'as low as reasonably practicable'. The guidance is to be made available on HSE's website.

Promotion of national and international co-ordination in risk management

304 HSE continued to play a significant role in assisting the shaping and implementation of the two-year cross-government Risk Handling Improvement Programme (concluded December 2004) including chairing the steering group on *Managing risks to the public* (http://www.hm-treasury.gov.uk/media/8B2AE/risk_principles_220903.pdf). In response to the programme, HSE has enhanced its own corporate risk-handling capabilities, including its internal risk governance arrangements. HSE had a prominent role in the European TRUSTNET programme designed to establish policy, practice and competence in participative risk governance for public policy making and delivery. A report on the conclusion of Phase 2 of the programme has been published and will be available in due course at: http://www.trustnetgovernance.com.

Risk education for young people

305 HSE worked in partnership with the Royal Society for the Prevention of Accidents (ROSPA) and the University of Central England (UCE), to produce a pilot scheme to incorporate risk management in initial teacher training programmes. This pilot was well received at UCE and will continue in the next academic year.

306 HSE actively supported *Risk Watch*, an injury prevention programme aimed at improving the social well-being of pupils aged 4-12 years by providing, through the school curriculum, avoidable injury awareness. Evaluation of a pilot in 2004 involving five primary schools (three in the Highlands of Scotland and two in Nottinghamshire) was positive, leading to an extended pilot and the inclusion of further topics.

307 HSE continued its support of the West Sussex *whole-school approach* initiative. The pilot stage has been completed and will be subject to evaluation with an anticipated programme launch for 2005/06. The exercise seeks to support teachers in planning programmes of work to develop a healthier, safer lifestyle through stimulating thinking, and enable creative solutions when teaching children to become safer and healthier, through classroom activities and engagement with a wide range of stakeholders (including school governors and the local community).

308 An evaluation of a risk education website for secondary-age students was commissioned by HSE. The research (undertaken by York University) looked into the effectiveness of using a website to improve the understanding of risk in school students aged between 14 and 18. Steps are in hand to enhance HSE's *Risk education* website and develop an interactive site for children and young people.

Risk education for safety-critical professionals

309 Working with the construction industry, HSE developed an e-learning website for use by colleges and universities involved in training engineers and other professionals working in the industry. And, as a member of the Inter-institutional Group on Health and Safety Working Party, HSE has been involved in developing teaching material on managing health and safety risks for undergraduate engineers, introducing concepts of proportionate risk control. In addition, HSE funded a research project at Liverpool University to implement an agreed set of risk education learning outcomes into a revised four-year undergraduate mechanical engineering degree, evaluate the success of their delivery and investigate how to promote the new syllabus to other universities.

Managing the organisation

Business improvement

310 HSE manages a co-ordinated programme of business improvements, through which it has achieved significant cash releasing and/or productivity savings over a number of years. The outturn results show that HSE realised savings valued at over £11.6 million for the year, attained through a combination of cash savings and quantifiable added benefits - equivalent to 5.3% of total administrative costs (excluding HSL) of £218.5 million.

311 A number of key initiatives contributed to this achievement including reducing back office functions and increasing front line activities through continued streamlining of corporate support, enabled by investments in IT and more e-business.

312 Looking to the future (2005/06-2007/08), HSE has set a target to deliver £50 million worth of efficiency savings (equivalent to approximately 6% of the total budget per year), at least half of which is to be realisable in cash. These efficiency savings are necessary to enable HSE to live within its means, create an organisation that is better placed to achieve its PSA targets, and contribute towards the agenda set out by Sir Peter Gershon in his Review of Government Efficiency.

Staffing

Total HSC/E staff in post by occupational group

Occupational group	01/04/2001 staff in post	01/04/2002 staff in post	01/04/2003 staff in post	01/04/2004 staff in post	01/04/2005 staff in post
Front line staff*	1335	1458	1508	1551	1517
(of which the following are front line operational inspectors**)	(1335)	(1458)	(1508)	(1438)	(1404)
Inspectors (other than at**)	199	167	143	122	126
Other professional or specialist staff	1333	1461	1481	1427	1484
Other staff***	1214 (includes 187 agency staff)	1196 (includes 232 agency staff)	1030 (includes 94 agency staff)	919 (includes 115 agency staff)	776 (includes 100 agency staff)
Total staff	**4081**	**4282**	**4162**	**4019**	**3903**

Table 3 Total HSC/E staff in post by occupational group

Notes:
All figures are for full-time equivalent staff. All figures have been rounded to the nearest whole number.

* *Front line staff include front line operational inspectors** and, since 01/04/2004, visiting staff working alongside inspectors in front line roles delivering key health and safety messages. Such staff comprise of workplace health and safety awareness officers in FOD, Railway Inspectorate contact officers and regulatory contact officers in HID.*
** *Inspectors at Bands 1 and 0 or working in other directorates/divisions are not included. In FOD, RI and HID, as far as possible, inspector staff undertaking more generalised HQ functions have been eliminated from these figures. The figures also exclude non-inspectorial specialist staff, eg scientists. Inspector staff includes discipline, medical and occupational health inspectors.*
*** *Resource Accounts Guidance now requires inclusion of agency/temporary staff and inward secondments/loans.*

HSE staff in post by division/directorate

Division/directorate*	01/04/2001 staff in post	01/04/2002 staff in post	01/04/2003 staff in post	01/04/2004 staff in post	01/04/2005 staff in post
Solicitors Office	35	50	34	33	-
Legal Adviser's Office[1]	-	-	-	-	39
Resources and Planning Directorate[2]	514	515	496	446	426
Communications Directorate[3]	-	-	-	24	26
Policy					
Health Directorate	258	258	167	-	-
Safety Policy Directorate	140	125	114	-	-
Strategy and Analytical Support Directorate	129	137	122	-	-
Strategy Division (formerly Strategy and Intelligence Division)	-	-	-	8	6
Rail Directorate	-	48	40	-	-
Policy Group[4]	-	-	-	316	292
Operations					
Operations Unit	26	29	-	-	-
Local Authority Unit	30	25	-	-	-
Operational Policy Division	-	-	35	35	
Operational Policy and Support Division[5]	-	-	-	-	79
Field Operations Directorate and HM Railway Inspectorate	1581	1723	-	-	-
Field Operations Directorate	-	-	1712	1609	1623
HM Railway Inspectorate	-	-	184	209	173
Hazardous Installations Directorate[6]	539	559	615	605	553
Nuclear Safety Directorate	261	268	293	287	259
Electrical Equipment Certification Service[7]	58	55	8	-	-
Technology Division	137	135	-	-	-
Corporate Science and Analytical Services Directorate[8]	-	-	-	86	76
Total HSE staff	**3708**	**3927**	**3820**	**3658**	**3552**
HSL	373	355	342	361	351
Total Staff	**4081**	**4282**	**4162**	**4019**	**3903**

Table 4 Total HSC/E staff in post by division/directorate

Notes:

* *Includes agency staff, see Table 3.*

1 *The Solicitors Office was renamed the Legal Adviser's Office in January 2005.*

2 *Directorate of Information and Advisory Services section of the Resources and Planning Directorate was reformed into Communications Delivery Service on 4 October 2004.*

3 *Communications Directorate was formed in January 2004.*

4 *During 2003/04, directorates in Policy were restructured into 'Policy Group' and 'Strategy and Intelligence Division' (SID) (now 'Strategy Division'); also, staff were transferred to Corporate, Science and Analytical Services Directorate. The Policy Group staffing figure includes support to HSC.*

5 *Operational Policy Division (OPD) took on new functions in 2004/05 to provide support services to operational directorates. Operational Policy and Support Division, which replaced OPD in January 2005, now comprises Operational Policy Unit (formerly Operational Unit), Local Authority Unit and the new Operations Support Unit.*

6 *Staff from Hazardous Installations Directorate, Field Operations Directorate and Nuclear Safety Directorate have been transferred into Operational Policy and Support Division.*

7 *The Electrical Equipment Certification Service ceased to operate on 01/10/2002.*

8 *The Corporate Science and Analytical Services Directorate was formed 01/01/2003 and combines analytical services, risk policy and science and technology into one Directorate.*

Recruitment

313 Recruitment into HSE is conducted in line with the Civil Service Commissioners' Recruitment Code. We operate systems and procedures that meet the Code and ensure that recruitment is carried out on the basis of fair and open competition and selection on merit. The systems and procedures are subject to periodic internal and external audits. The Code requires departments to publish summary information about their recruitment and the use of permitted exceptions to the principles of fair and open competition and selection on merit.

314 During the year:

- 92 staff were recruited;
- 48 UK secondments/loans into and out of HSE and two overseas secondments commenced;
- one extension of a short-term appointment beyond the initially publicised period and two fixed-term appointments converted to permanency following immigration restriction being lifted by the Home Office;
- 14 re-appointments of former civil servants were made.

Grade	Recruited to HSE	Reinstate-ments	Re-employed pensioners	Transfer from other government departments	Female	Male	Non-white*	Disabled
SCS	0			1		1		
Band 1	1		1	1	1	2		
Band 2	2	1	3	0	3	3		
Band 3	12	2	3	1	5	13		
Band 4	12	3		1	11	5		
Band 5	7			6	8	5	2	
Band 6	58		1	57	73	43	6	3
Total	92	6	8	67	101	72	8	3

Table 5 Breakdown of staff recruitment

*Note: * Information on ethnic and disability status is not always provided.*

Resources

315 Full details of HSC/E accounts for 2004/05 can be found in Part 2.

Private Finance Initiative (PFI)/Public Private Partnerships (PPP)

Refit - IT

316 The REFIT partnership with LogicaCMG has now completed its third year of a ten-year agreement. A benchmarking report produced in November 2004 concluded that:

- REFIT is delivering services that are well received by HSE;
- the level of investment by HSE in IT is at the lower end of comparable statistics; and
- the benchmark costs for core desktop and other services continue to represent value for money.

New Merseyside Centre - Redgrave Court

317 Construction of the new centre by Kajima Development, under PFI, continued throughout the year and has generally gone well. Plans for fit out, IT installation and removals are well advanced and are likely to take place over the summer 2005.

Sponsorship

318 Working Well Together (WWT) is an industry-wide construction health and safety campaign developed by HSC's Construction Industry Advisory Committee.

319 In 2004/05 HSE received sponsorship from several organisations in support of the WWT Roadshow and the White Van Roadshow. The two WWT roadshows visited construction sites around the country to promote health and safety messages and encourage workers to 'sign up' to best health and safety practice.

Roadshow sponsors	
HSS Hire	£30 000
Taylor Woodrow	£15 000
Bovis Lend Lease	£15 000
Skanska	£15 000
Construction Industry Training Board	£10 000
TOTAL	**£85 000**

Table 6 Roadshow sponsors

Departmental investment strategy

320 Capital investment is exclusively in support of the staff resource and is mainly accommodation related, motor vehicles and scientific equipment. The new Health and Safety Laboratory became operational in October 2004 funded via an 'on balance sheet' PFI contract.

Prompt payment of bills

	HSE	HSL	Combined total	Combined % paid on time
Number of invoices paid on time	15 634	7660	23 294	99.37%
Number of invoices paid late	135	12	147	
Total invoices received	15 769	7672		

Table 7 Prompt payment of bills

Charging

321 A review of charging in HSE, completed in autumn 2004, looked at areas where charging could be extended. The report made a series of recommendations and some of these will be taken forward in 2005/06. No new or restructured schemes have been developed for 2004/05. Repeal of major parts of the Explosives Act 1875 and replacement by the Manufacture and Storage of Explosives Regulations 2005 will lead to further change later in 2005.

Information technology

322 Key projects included:

- an integrated system for the whole of our inspection and enforcement activity to be launched during 2005/06;
- an electronic documents and records management system that moved into its procurement phase after successful piloting within parts of the business;
- the successful launch of a corporate system for tracking FOI requests and our responses;
- an 'extranet' infrastructure which will more easily support working links to an increasing number of partner organisations in the health and safety system. Enhanced support for working with LAs will be launched during 2005/06.

Diversity

323 Highlights from last year include:

- further progress towards meeting HSE and *Modernising Government* targets for the proportion of women, disabled and black and minority ethnic staff in each grade (see Tables 8-10). However, the downturn in recruitment activity over the past year and a slowing of promotion opportunities is putting progress on hold;

- work on disability issues including:
  - improving working arrangements for disabled staff;
  - improving access to on-site occupational healthcare;
  - contributions to the public debate on disability discrimination requirements and, in particular, its interface with health and safety provisions. This has included a supportive response to DWP's consultation on the proposed public sector duty to promote equality for the disabled and a Memorandum to the Transport Select Committee's inquiry into disabled people's access to transport;
- further action on race equality issues as provided for in our Race Equality Scheme, including:
  - improving monitoring arrangements on recruitment and internal vacancy filling procedures as part of our work to encourage applications from under-represented groups and help meet our targets;
  - guidance and training to visiting staff (such as inspectors) on race awareness and on dealing with racist incidents while making visits;
  - production of guidance setting out essential health and safety rights and responsibilities for employers and workers that have been translated into a number of languages other than English;
  - completion of some research into stress and ethnicity which found greater levels of stress among people of ethnic minority origin - particularly black Caribbean women;
  - a number of local initiatives taken forward by race equality contacts within HSE, such as a survey of health and safety activity of employment businesses in London undertaken in conjunction with the local Race Equality Council;
- initiating an equal pay audit, which will extend into next year and beyond.

Progress towards Modernising Government targets

Disability

Band	1 April 1999	8 March 2005	HSE target 2005*	Modernising Government target 2005
	%	%	%	%
SCS	0	1.92	3.7	5.0
B1 (G6)	1.6	1.50	3.1	4.2
B2 (G7)	1.2	4.40	✓1.8	✓2.4
B3 (SEO)	1.3	3.21	✓1.6	✓2.2
B4 (HEO)	2.0	3.98	✓2.9	✓3.9
B5 (EO)	2.7	4.39	✓3.9	5.2
B6 (AA/AO)	6.1	6.47	✓6.4	8.7
Total	2.9	4.28	3.5	4.7

Table 8 Staff in post with disabilities

Gender

Band	1 April 1999	8 March 2005	HSE target 2005*	Modernising Government target 2005
	%	%	%	%
SCS	24.5	23.08	29.0	35.0
B1 (G6)	6.2	19.55	10.0	✓12.1
B2 (G7)	12.2	18.40	✓13.7	✓16.5
B3 (SEO)	26.0	34.24	✓27.8	✓33.6
B4 (HEO)	47.1	49.34	50.0	60.3
B5 (EO)	65.7	69.07	✓64.0	77.2
B6 (AA/AO)	72.9	71.49	✓70.0	84.5
Total	43.9	45.79	44.2	53.3

Table 9 Staff in post by gender

* Projected % set at April 1999
✓ = HSE or Modernising Government target met or exceeded

Race

Band	1 April 1999	8 March 2005	HSE target 2005*	Modernising Government target 2005
	%	%	%	%
SCS	0.0	1.8	1.8	3.2
B1 (G6)	0.8	1.50	2.3	4.1
B2 (G7)	1.2	2.04	2.1	3.7
B3 (SEO)	3.0	4.35	✓3.8	6.8
B4 (HEO)	3.1	6.64	✓4.4	7.8
B5 (EO)	7.6	10.02	✓9.3	16.5
B6 (AA/AO)	8.6	7.89	9.9	17.6
Total	4.7	7.45	✓5.9	10.5

Table 10 Staff in post by race

* Projected % set at April 1999
✓ = HSE or Modernising Government target met or exceeded

Note: It is important to recognise that not all new recruits or existing staff wish to divulge their ethnic background or disability status and therefore that statistical reports may not be a complete picture of HSE's rich mix of individuals. We acknowledge the fundamental right of all our staff to choose whether they take part in our statistical analyses.

Staff training and development

324 Training and development achievements:

- we have trained 1900 staff over 300 training events (covering management, occupational health and safety, IT skills, personal development and legal training);
- new courses included writing for the web, communication skills and a management development workshop. New provision was also developed for dealing with requests under the Freedom of Information Act;
- HSE has started a significant initiative to identify high potential staff and to provide tailored development for our leaders of the future;
- HSE has continued to maintain its commitment to *Interchange*. On loan or secondment, we have had 79 HSE staff out and 40 staff into HSE. There are 16 HSE staff working overseas on secondment and one EU national is working in HSE on secondment.

Human Resource Service Transformation (HRST)

325 The HRST programme aims to deliver a modern and more professional Human Resource Service that supports an improved management culture across HSE and HSL through:

- human resource strategies and policies that better support HSE's business strategy;
- accessible online procedures, so employees and managers can access appropriate information to improve their decision making;
- easy-to-use tools and techniques, empowering managers to fulfil their people responsibilities;
- reduced human resource costs to HSE through a corporate HR advice and support centre.

326 Progress to date includes:

- an analysis of the market-leading commercial off-the-shelf HR IT solutions and decision that a system will be bought in;
- development of work streams: HR business partners; core strategy and policy; corporate advice and support centre; and policy and procedures;
- a report on management capabilities that will be progressed with Senior Civil Service;
- completion of an options analysis looking at partnership with DWP.

Government targets on sickness absence

327 HSE has placed increasing emphasis on managing long-term absences this year. A key element of our approach has been greater use of case conferences involving the employee, management, trades unions and our occupational health provider. This is working - actual instances of sickness absence have dropped by 8%.

328 Our success in getting employees back to work after long-term absence has resulted in a peak in working days recorded as lost this year. HSE lost an average of 8.52 working days per staff year; a rise of 0.55 days compared to 2003/04. However the number of people currently on long-term sickness absence is at its lowest point for four years, this trend is expected to continue.

329 HSE played a key role in the work of the Ministerial Task Force on Health, Safety and Productivity. The Task Force published, jointly with the Cabinet Office, its review of sickness-absence management in the public sector. The report was well received and made a number of recommendations on how organisations could improve their performance. In many areas HSE is already implementing the recommendations and others will be taken forward next year.

Sustainable development (green housekeeping)

330 HSE is fully committed to achieving the targets set down by Government. The following is a snapshot of activities designed to help make HSE a more environmentally-friendly organisation:

- carrying out environmental assessments of newly acquired property using the Building Research Establishment's Environmental Appraisal Method (BREEAM);
- aiming to reduce the annual energy consumption on the estate by targeting major users of energy within the organisation;
- recycling of as much waste as possible including paper, furniture, IT and electrical equipment etc;
- paper purchased by HSE comprises 100% post-consumer waste;
- portable video conferencing equipment has been installed in all HSE offices to help to reduce the amount of business travel;
- strict policy to limit the engine size of the 236 cars used by high-mileage employees contracted under the Private User Scheme.

Business risk

331 Continued steady progress has been made taking forward business risk management. Our non-bureaucratic approach recognises that one size does not fit all. The *Risk Management Improvement Plan 2004/05* focused on embedding the risk management process across the organisation. Much of the plan was achieved. A concise 'practical guide' was made available to all staff to help develop a basic common approach. A plan for 2005/06, aimed particularly at supporting colleagues, has been developed.

332 HSE's Risk Management Framework codifies overall strategy, emphasising the need to integrate business risk management into the management system for effectiveness and proportionality.

333 The focus at corporate level is the Corporate Risk Register, setting out the key risks to delivering the Commission's Strategy. Board-level risk owners are responsible for ensuring adequate measures for managing their risks are in place and regularly reviewed. HSE's Board considered the Corporate Risk Register quarterly during 2004/05 to ensure that the right strategic risks were identified, were being managed adequately and could not be effectively managed at a lower level.

334 Across the organisation specific risk registers are being developed for HSE's strategic programmes, their component parts and lower level projects and programmes.

Welsh Language Scheme

335 HSC/E has continued to build on its commitment to the use of Welsh. The Welsh Language Board audited our Welsh Language Scheme during 2004 and has made several suggestions for further developing and promoting the service to Welsh speakers. The practical implications are now being considered with the Welsh Language Board's assistance.

Devolution

336 HSC/E's commitment to work in partnership with devolved administrations in England, Scotland and Wales was confirmed in the Government's response to this year's Work and Pensions Select Committee inquiry into our work.

337 HSC/E's broad risk priorities are the same for England, Scotland and Wales but there is a commitment to tackle them in ways that meet the needs of the economies, communities and cultures in devolved areas. Local and regional partnerships are supporting joint planning of work, using resources that are available across a range of stakeholders, to deliver defined outcomes based on the evidence. Our work under the Local Authorities and HSE Working Together Strategic Enabling Programme is intended to ensure specific Scottish and Welsh involvement so that it reflects priorities in all parts of Great Britain. Work includes:

- HSE is investigating whether more effective co-ordination of the health and safety system in Scotland can be achieved by establishing a group of major stakeholders (including the Scottish Executive, business and trade union representatives) whose aim will be to ensure the delivery of the Commission's Strategy within the Scottish context. A member of the Commission chairs the group. It will also play a full part in the development of the Scottish Executive's *Healthy Working Lives* initiative, which aims to deliver an integrated approach to improving the health of the working age population through the vehicle of work.
- In Wales, work has continued to join together HSE's priorities with those of the Welsh Assembly Government and to better meet local needs to improve the health of the Welsh workforce. HSE has actively supported the Assembly's corporate health standard for workplaces and HSE Wales has achieved the silver award. Joint projects have been initiated with many LAs. In partnership with NHS Wales, passport schemes for manual handling training, and violence and aggression have been introduced. Preparatory work has been carried out with large manufacturing companies based in Wales, TUC Cymru, and the Welsh Development Agency to create a forum for benchmarking and sharing best practice.
- In London we are seeking to effectively engage with the key stakeholders within the Greater London Authority (GLA) family.
- We have worked in partnership with the Southern and Eastern Region Trades Union Congress (SERTUC) and the GLA on an accord to find ways to promote effective health and safety management and worker participation in the Capital to make London a world-class city for health and safety.

- We are actively involved with GLA on a number of specific issues. Following a review of public safety issues at the London Notting Hill Carnival and a request from GLA, we have provided input into the planning process and attended the inter-agency operational planning safety group meetings. We regularly meet with representatives from GLA, the London Development Agency (LDA) and the Ministry of Culture, Media and Sport to discuss HSE input into the planning, construction and development of the Olympic Games if the London bid is successful.

Employee involvement

338 It is HSE's policy to consult the trade unions representing its staff as widely as possible in order to give them the opportunity to influence the development and application of proposals relating to major organisational and staffing changes. There is a formal consultation structure between HSE management and unions within the Whitley system at both national and local levels. The HSE Whitley Council is the central forum for discussion of all matters of concern to HSE as a whole. National Whitleys are held quarterly and are chaired by the Director General.

339 HSE consults and negotiates with the trade unions about all issues affecting the terms and conditions of employment of staff. This continues even during periods of tension, such as the protracted negotiations about annual pay awards over the last two years.

340 In 2004/05, consultations and negotiations have been successfully taken forward on workforce planning, managing attendance, expenses policy and the implications of machinery of government changes, such as the transfer of HMRI to the Office of the Rail Regulator.

341 Staff are also consulted directly through a biennial staff attitude survey, participation in specific pilots and through meetings held by senior managers and others on subjects ranging from the Commission's Strategy to exploring issues on the development of a new reward system for HSE. HSE is also developing a network of HR business partners who will inform and help develop personnel policies to ensure that they continue to meet HSE's business needs.

Freedom of Information (FOI)

342 The fundamental premise of the Freedom of Information Act is that information is disclosable, save in specified circumstances of exemptions; and that the individual has the right to request disclosure of information of his or her choosing.

How HSE has implemented the FOI Act since January 2005

343 HSE put appropriate procedures into place by:

- setting up an organisation-wide infrastructure to accommodate all FOI requests, including appeals and complaints procedures in conjunction with the Act;
- commissioning an external health check on HSE's FOI preparations, which was undertaken by the Constitution Unit of the University College London;
- launching a new FOI website which includes the revised and extended Publication Scheme required under the Act.

344 The introduction of the new website embodies the commitment to the principles of FOI made by HSC/E in their revised joint statement on openness.

January	February	March	April
704	568	813	393

Figure 5 FOI requests received since January 2005

Health and safety in HSE

Introduction

345 It is HSE's policy to set and maintain exemplary standards of health and safety for its staff and contractors. HSE staff are exposed to a variety of risks to their health and safety ranging from those found in the office to those that visiting staff meet on site. These include asbestos, violence and aggression, noise, and railway trackside risks.

Management

Performance monitoring

346 Health and safety is on the agenda of every formal Board meeting. This includes:

- reviewing monthly accident/ill health statistics;
- monitoring performance against our targets;
- discussing reports on significant health and safety issues;
- addressing recommendations from audit reports;
- agreeing the Corporate Health and Safety Plan and end-of-year report on HSE's performance.

Consultation

347 HSE recognises the importance of consultation with its employees. The Corporate Health and Safety Committee (CHSC) is the principal consultation forum between the Executive and the staff trade unions. Justin McCracken, the Deputy Director General (DDG), is the Board champion for health and safety. He chairs the CHSC, which meets three times a year. A TU safety representative is the vice-chair.

348 There are also a number of local site safety committees. TU safety representatives make a vital contribution to the work of these committees and in their involvement in workplace inspections, accident/ill-health investigations and health and safety events such as during Euroweek.

Performance

Against targets

349 In 2004/05 HSE set itself ambitious and challenging targets. These were to reduce:

- RIDDORs to single figures;
- DSE-related ill health (IH1) reports by 10% against 2003/04;
- slips and trips injuries by 10% against 2003/04.

350 To our disappointment we have not met our targets (see Table 11). The targets used reports from 2003/04 as a baseline. This was a year of good health and safety performance in HSE. We have, unfortunately, not sustained this good performance for a second year running.

Category	2003/04 figures	Target	2004/05
DSE IH1 reports	50	<45	63
RIDDOR reports	10	<10	20
Slips/trips causing injury	34	<30	46
Near misses	90		130

Table 11 Health and safety performance

351 As soon as it became clear that our targets would not be met, the Board champion called an emergency CHSC meeting. This meeting identified the need for a dynamic new plan that focused on areas where improvements were possible. This plan included a communications strategy, which was used to raise awareness about in-house health and safety and publicise workable solutions to the most common causes of injury.

352 It was also recognised that the accident-based targets gave an insufficient picture of what was happening in HSE, so new lead indicators are being developed.

Significant developments

353 During the year there was a thorough review of HSE's health and safety management arrangements. The findings of this review pointed towards the need for improvement in leadership in health and safety and the tightening up of internal procedures. In particular we need to provide our staff with guidance that is clearer and focused on effective risk management. The main recommendations have been incorporated into our Corporate Plan for 2005/06.

354 We also introduced on-site occupational health provision - the service offers quick and accessible advice to managers and staff, particularly in managing sickness absence, with emphasis on appropriate intervention at an early stage. The service supports staff returning to work

following ill health. We have proactively targeted specific causes of absence and ill health such as:

- stress-related illness;
- musculoskeletal disorders;
- work-related injuries and diseases.

355 During the year, the occupational health advisers (OHAs) ran sessions to promote line management awareness of HSE's policy on dealing with drugs and alcohol. The sessions gave advice to managers on how to identify areas of concern.

Accident/ill health/near miss reports and data

356 Accidents, work-related ill health and near misses are reported and investigated. The Board champion for health and safety is notified within 48 hours of all incidents identified as reportable under RIDDOR. (See Table 12).

357 The incident rate for RIDDOR is 376 per 100 000 employees.

358 HSE estimates the total cost of the accidents/ill health to be approximately £424 000. This includes two claims settled during the year relating to personal injury.

359 HSE had a number of regulatory visits during the year, but no enforcement action was taken.

Next year

360 In 2005/06 we have four priority areas for action:

Priority A: Improving health and safety management in HSE: the development of fit-for-purpose systems and a strong compliance culture across the organisation.

Priority B: Targeting the main causes of harm in HSE: improving HSE's performance with regards to DSE-related problems, manual handling-related injuries, slip and trip accidents and work-related stress.

Priority C: Targeting high-consequence risks: ensuring that work-related road risks and lone working risks are properly managed.

Priority D: Improving our ability to monitor health and safety performance: identifying leading indicators to complement existing board targets and take steps to ensure that targets are met.

361 We are developing suitable lead indicators for each of these priority areas. We will continue to set targets based on incident data. For 2005/06 these are to:

- reduce RIDDORs to single figures;
- reduce DSE-related ill health reports by 10% against 2004/05;
- reduce slips and trips injuries by 10% against 2004/05.

	April-March 2005	April-March 2004	April-March 2003
RIDDOR			
Fatal injuries	0	0	0
Major injuries	1	3	1
Dangerous occurences	0	0	0
Over-3-day injuries	20(5)	8(1)	10(1)
Ill health	4	0	4(1)
	25(5)	11(1)	15(2)
Other over-3-day injuries, eg RTAs	1	1	3
Ill health other	123	101(2)	154(4)
Minor injuries	153(20)	128(17)	148(17)
Near misses, including verbal abuse and possible accidental asbestos exposure	130(4)	90(4)	85(6)
Total	432(29)	331	405

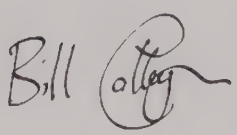
Table 12 Accident and ill-health statistics
Note: The figures for non-HSE staff are included and shown in brackets.

362 Other significant health and safety events for 2005/06 include:

- the move of a third of HSE's workforce to a new Merseyside Centre building;
- using our own stress management assessment tool to improve our existing stress risk assessments;
- our occupational health provider will continue to support our work in improving staff health and reducing sickness absence figures.



Timothy Walker CB
Director General
Health and Safety Executive
Accounting Officer
20 June 2005



Bill Callaghan
Chairman
Health and Safety Commission
Accounting Officer
20 June 2005

Annex 1: Balanced scorecard

This Annex reports performance in one element of HSE's balanced scorecard - *Delivering planned work*. It reports progress with a number of output performance measures (OPMs) in HSE's operational directorates over the four quarters in 2004/05.

Performance is assessed using a 'traffic light' rating (Red, Amber or Green (RAG)), which is determined by agreed criteria, eg higher than a predetermined number of safety cases processed warrants a Green. The ranges for each OPM are as follows:

Where 'quarters' are referred to, the following convention is used: quarter 1 = April to June, quarter 2 = July to September, quarter 3 = October to December, quarter 4 = January to March.

Table 13 OPM ranges

	FOD			HID			NSD			RI		
OPM	C	D	E	A	C	D	A	C	D	A	C	D
Green	>84	>89	>94	>94	>89	>89	>90	86-90	>94	>94	>89	>89
Amber	70-84	85-89	90-94	85-94	80-89	80-89	85-90	81-85	90-94	85-94	80-89	80-89
Red	<70	<85	<90	<85	<80	<80	<85	<81	<90	<85	<80	<80

Table 14 Delivering planned work - quarter 1

DELIVERING PLANNED WORK	FOD	FOD	HID	HID	RI	RI	NSD	NSD
End quarter 1 2004/05	Plan	Outturn	Plan	Outturn	Plan	Outturn	Plan	Outturn
Output performance measure (OPM) A1								
Total number of safety cases etc processed (Note: NSD report consents and agreements)			124	104	N/A	20	24	24
Total number of safety cases etc processed to time and quality standards			124	104	N/A	19	24	24
Safety cases etc processed to time %			100	(G)100	100	(G)95	100	(G)100
OPM C								
Total number of complaints reported	N/A	5825	113	81	N/A	166		4
Total number of complaints followed up	N/A	4932	102	79	N/A	102		4
Complaints investigated %	90	(G)85	90	(G)98	90	(R)*61.45	90	(G)100
OPM D								
Total number of incidents reported	N/A	N/A	1315	1101	N/A	1251		27
Total number of incidents that meet HSC criteria	N/A	1007	129	66	N/A	124		27
Total number of incidents that meet criteria and were investigated		952	123	62	N/A	124		27
Incidents that met HSC criteria investigated %	95	(G)95	95	(G)94	95	(G)100	95	(G)100
OPM E**								
Number of higher risk workplaces identified	N/A	N/A						
Number of higher risk workplaces receiving an intervention	N/A	N/A						
High hazard/risk workplaces receiving an intervention %	N/A	N/A						

Notes:

** Low outturn arose from a problem associated with data recording: robust action was taken, which has since rectified the problem.*

*OPM E** This is an annually assessed FOD-specific OPM which is reported at half- and full-year stages only.*

Table 14 Delivering planned work - quarter 2

DELIVERING PLANNED WORK	FOD	FOD	HID	HID	RI	RI	NSD	NSD
End quarter 2 2004/05	Plan	Outturn	Plan	Outturn	Plan	Outturn	Plan	Outturn
OPM A1								
Total number of safety cases etc processed (Note: NSD report consents and agreements)			150	125	N/A	48	49	36
Total number of safety cases etc processed to time and quality standards			150	125	N/A	47	49	36
Safety cases etc processed to time %			100	(G)100	100	(G)98	100	(G)100
OPM C								
Total number of complaints reported		11 906	225	174	N/A	334	N/A	5
Total number of complaints followed up		10 771	203	169	N/A	335	N/A	5
Complaints investigated %	90	(G)90	90	(G)97	90	(G)97.4	90	(G)100
OPM D								
Total number of incidents reported	N/A	N/A	2630	2249	N/A	234	N/A	46
Total number of incidents that meet HSC criteria		2228	150	88	N/A	234	N/A	46
Total number of incidents that meet criteria and were investigated		2145	143	83	N/A	233	N/A	46
Incidents that met HSC criteria investigated %	95	(G)96	95	(G)94	95	(G)99.6	95	(G)100
OPM E**								
Number of higher risk workplaces identified	N/A	600						
Number of higher risk workplaces receiving an intervention	N/A	272						
High hazard/risk workplaces receiving an intervention %	100	45						

Note:

*OPM E** This is an annually assessed FOD-specific OPM which is reported at half- and full-year stages only.*

Table 14 Delivering planned work - quarter 3

DELIVERING PLANNED WORK	FOD	FOD	HID	HID	RI	RI	NSD	NSD
End quarter 3 2004/05	Plan	Outturn	Plan	Outturn	Plan	Outturn	Plan	Outturn
OPM A1								
Total number of safety cases etc processed (Note: NSD report consents and agreements)			233	207	N/A	68	74	55
Total number of safety cases etc processed to time and quality standards			233	207	N/A	66	74	55
Safety cases etc processed to time %			100	(G)100	100	(G)97	100	(G)100
OPM C								
Total number of complaints reported	N/A	16 826	338	277	N/A	504	N/A	7
Total number of complaints followed up	N/A	15 525	304	267	N/A	490	N/A	7
Complaints investigated %	90	(G)92.3	90	(G)96.4	90	(G)97.22	90	(G)100
OPM D								
Total number of incidents reported		N/A	3945	3307	N/A	376	N/A	65
Total number of incidents that meet HSC criteria		3048	226	152	N/A	376	N/A	65
Total number of incidents that meet criteria and were investigated		2986	215	145	N/A	375	N/A	65
Incidents that met HSC criteria investigated %	95	(G)98	95	(G)95.4	95	(G)99.7	95	(G)100
OPM E**								
Number of higher risk workplaces identified	N/A	600						
Number of higher risk workplaces receiving an intervention	N/A	N/A						
High hazard/risk workplaces receiving an intervention %	100	N/A						

Note:

*OPM E** This is an annually assessed FOD-specific OPM which is reported at half- and full-year stages only.*

Table 14 Delivering planned work - quarter 4

DELIVERING PLANNED WORK	FOD	FOD	HID	HID	RI	RI	NSD	NSD
End quarter 4 2004/05	Plan	Outturn	Plan	Outturn	Plan	Outturn	Plan	Outturn
OPM A1								
Total number of safety cases etc processed (Note: NSD report consents and agreements)			310	303	N/A	82	102	79
Total number of safety cases etc processed to time and quality standards			310	303	N/A	76	102	79
Safety cases etc processed to time %			100	(G)100	100	(A)92.68	100	(G)100
OPM C								
Total number of complaints reported	N/A	21 805	450	369	N/A	611	N/A	9
Total number of complaints followed up	N/A	20 681	405	356	N/A	587	N/A	9
Complaints investigated %	90	(G)95	90	(G)96.5	90	(G)96.07	90	(G)100
OPM D								
Total number of incidents reported	N/A	N/A	5260	4215	N/A	489	N/A	92
Total number of incidents that meet HSC criteria		4306	301	194	N/A	488	N/A	92
Total number of incidents that meet criteria and were investigated		4118	301	192	N/A	488	N/A	92
Incidents that met HSC criteria investigated %	95	(G)99	95	(G)99	95	(G)99.80	95	(G)100
OPM E**								
Number of higher risk workplaces identified	N/A	599						
Number of higher risk workplaces receiving an intervention	N/A	583						
High hazard/risk workplaces receiving an intervention %	100	(G)97						

*Note: OPM E** Number identified reduced from 600 to 599 as one was wrongly identified and was not in scope. Sixteen premises not visited due to closure, moving or continuing enforcement action (and in one case, threats of violence).*

Annex 2: Legislative timetable

Much of HSE's work on legislative programmes originates from Europe and is unavoidable. But we do not see new or revised regulation as the automatic response to new or changing circumstances. This work is informed by the Commission's Strategy so that resources can be deployed to achieve maximum impact. Furthermore, in accordance with the Government's *Better Regulation* principles, unless they can demonstrate clear health and safety benefits, some projects may be drawn to a close, and for others, we may seek to deliver the same outcomes by non-legislative means.

European projects

All projects and projected milestones in this timetable are subject to the results of consultation and, where applicable, the adoption of the relevant European Directives. Where it is possible to give months for milestones these are given, where 'quarters' of a year are referred to, the following convention is used: quarter 1 = April to June, quarter 2 = July to September, quarter 3 = October to December, quarter 4 = January to March.

Title of project/ regulations	Action planned	Milestone	Progress during 2004/05
Chemical agents			
Draft 2nd Indicative Occupational Exposure Limit Value Directive	This draft Directive will introduce occupational exposure limits (OELs) to be agreed by the EU and will be implemented through the new OEL framework following consultation.	Vote on technical progress expected. Probable UK implementation date quarter 3 2005/06.	Vote on technical progress and adoption of this Directive stalled because of an outstanding issue over the proposed limit for nitrogen monoxide (NO). Adoption is unlikely before summer 2005. HSE commenced work in quarter 4 to implement most of the Directive ahead of the due date.
Dangerous Substances Directive 29th ATP (adoption to technical progress)	Implementation of UK regulations following 29th ATP to the Dangerous Substances Directive. (Agreed start of quarter 1 2004/05.)	Consultation document (CD) to be published quarter 3 2004/05. Implementation due quarter 3 2005/06.	CD published quarter 4 2004/05.
Dangerous Substances Directive 30th ATP	Initial negotiations to agree substances for inclusion in the 30th ATP.	Initial discussions between Member States quarter 4 2004/05.	Negotiations ongoing.

Title of project/ regulations	Action planned	Milestone	Progress during 2004/05
Asbestos: EU proposals to amend the Worker Protection Directive 83/477/EEC	Final adopted text was published in the Official Journal 15 April 2003.	Commence informal consultation during quarter 1 2004/05. CD to be published in quarter 3 2004/05.	Informal consultation started in quarter 4 of 2004/05: CD is expected to be published in quarter 3 2005/06. Following consultation, final regulations and ACOPs will be prepared for submission to HSC and to the Minister. Timescales are such that it is unlikely that they will come into force before the Directive implementation date.
EC Regulation on the Import and Export of Dangerous Chemicals	Proposed EC Regulation to introduce enhanced measures to inform non-EU countries about the dangers of exported chemicals. To replace the current Regulation. This proposal will implement the Rotterdam Convention on Prior Informed Consent.	CD to be published quarter 1 2004/05. Enforcement of Regulation expected quarter 2 2004/05.	Enforcement Regulation implemented quarter 4 2004/05.
Existing Substances Regulations (ESR) and the programme for Registration, Evaluation and Authorisation of Chemicals (REACH)	Competent Authority management with DEFRA for 2004/05. HSE to support DEFRA with work such as ongoing development of transitional arrangements between ESR and REACH.	Ongoing programme of risk reduction strategy work. European risk reduction meeting planned for quarter 3 2004/05.	HSE and DEFRA have continued to progress UK risk reduction strategies. HSE provided ongoing support to DEFRA on transition arrangements between REACH and ESR.
New EU chemicals scheme for registration and authorisation (REACH)	Discussions in Council led by DEFRA with HSE advice. Implementation planned in quarter 2 2007/08	No HSE milestones set but ongoing contribution. Timetable uncertain.	HSE contributed to DEFRA-led negotiations.
Physical agents			
Proposal for a European Parliament and Council Directive on Physical Agents (Vibration)	Implementation due July 2005.	Directive adopted May 2002; came into force July 2002. CD published quarter 3 2003/04. Consultation ended quarter 4 2003/04.	Regulations due to come into force on 6 July 2005.

Title of project/ regulations	Action planned	Milestone	Progress during 2004/05
Proposal for a European Parliament and Council Directive on Physical Agents (Noise)	Implementation due February 2006.	Directive adopted December 2002; came into force February 2003. CD to be published quarter 1 2004/05.	Proposed Noise Regulations to be considered by HSC in April 2005.
Proposal for European Parliament and Council Directive on Physical Agents (Electromagnetic Fields)	Adoption of proposed Directive. If adopted will need to be transposed into UK legislation within four years of it coming into force.	Directive proposed December 2002. Adoption in quarter 1 2004/05; coming into force likely quarter 1 or 2 2004/05.	The Directive came into force at the end of April 2004 and will have to be transposed into law by 30 April 2008. The implementation process is underway and a CD should be published in spring 2006.
Proposal for European Parliament and Council Directive on Physical Agents (Optical Radiation)	Adoption of expected proposal for a Directive. If adopted will need to be transposed into UK legislation.	Proposal expected quarter 1 2004/05.	Negotiations on proposal began in July 2004 and Common Position was reached in December 2004. The proposed Directive will now be transmitted to the European Parliament for Second Reading.
Rail transport			
Interoperability of the trans-European conventional rail system (2001/16)	DfT lead. HSE will contribute.	Directive expected to be implemented by quarter 3 2004/05.	Implementation of the Directive on interoperability of the 'conventional' railway system (2001/16/EC) delayed. The regulations will be merged with the current 'high speed' regulations, incorporating amendments to provisions for both under the Interoperability Amendment Directive (2004/50/EC). Estimated to come into force in quarter 3 2005/06.

Title of project/ regulations	Action planned	Milestone	Progress during 2004/05
Proposed Railway Safety Directive Proposed Interoperability Amendment Directive amending Directive 96/48/EC on high-speed interoperability and Directive 2001/16/EC on conventional interoperability Proposed European Railway Agency Regulation Proposed decision on the Convention of International Transport by Rail Proposed Market Access Directive	Common Position has been achieved, now working with DfT on progress through European Parliament to achieve a favourable outcome in line with UK negotiating strategy. (These Directives etc are commonly known as the *Second Railways Package*.)	Adoption expected quarter 1 2004/05.	The Railway Safety Directive (2004/49/EC) was adopted in April 2004. Provisions are to be implemented via the draft Railways and Other Guided Transport Systems (Safety) Regulations (ROGS) alongside the interoperability regulations (in quarter 3 2005/06). More detail on ROGS can be found in the domestic section of this Annex under *Railway Safety Regulations*. For details on the interoperability amendment Directive (2000/50/EC), see *Interoperability* on page 52. The European Railway Agency (ERA) was established in January 2005. HSE officials have reviewed the ERA workplan and identified key areas that impact.
Proposed Directive on the certification of train drivers (Com (2004) 142)	HSE to contribute to DfT lead. Analysis and EU negotiation to continue.	Proposals published 3 March.	HSC responded to DfT in quarter 3 2004. Negotiation continues into 2005.
Work equipment			
Proposal for Third amendment to the Machinery Directive	DTI lead.	Awaiting Council agreement due quarter 3 or quarter 4 2004/05.	Amendment not expected to take effect until 2006.
Use of Work Equipment Directive (dealing with Temporary Work at Heights) 2nd amendment	To be implemented as a single set of Work at Height Regulations.	Implement Regulations third quarter 2004/05.	Implemented through Work at Height Regulations (2005).
Major hazards			
Proposal for an amendment to the SEVESO Directive (96/82/EC)	Directive 2003/105/EC adopted 31 December 2003. Amended directive to be implemented through amendment to COMAH Regulations.	HSC endorsed implementation strategy on 10 February 2004. CD planned for end of quarter 1 2004/05. For implementation by 1 July 2005.	Consultation ended May 2004. Due to be implemented 1 July 2005.

Domestic projects

All projects and projected milestones in this timetable are subject to the results of consultation. Where it is possible to give months for milestones these are given, where 'quarters' of a year are referred to the following convention is used: quarter 1 = April to June, quarter 2 = July to September, quarter 3 = October to December, quarter 4 = January to March.

Title of project/ regulations	Action planned	Milestone	Progress during 2004/05
Acetylene legislation	New framework for acetylene safety to replace requirements currently in Explosives Act 1875.	Project under review.	Work stopped following review - no significant benefit would be delivered by the change.
Construction (Design and Management) Regulations 1994 (CDM)	To amend Regulations and ACOP.	CD planned for quarter 3 2004/05. Planned implementation quarter 1 2006/07.	Consultation began in April 2005: due to end in July 2005.
Construction (Health, Safety and Welfare) Regulations 1996	To amend the Regulations.	As CDM Regulations above. It is proposed to amend these two sets of regulations and produce a single set of construction regulations (to be outlined in the consultative document).	Consultation began in April 2005: due to end in July 2005.
Control of Explosives Regulations 2001	New Regulations to rationalise existing provisions.	CD to be published quarter 4 2004/05. New Regulations to be laid quarter 4 2005/06.	Work suspended following review but is expected to recommence in 2005/06.
Dangerous Goods in Harbours Regulations	Regulations, ACOP and guidance to be amended in light of consultation exercise.	Project under review.	Work stopped following review - no significant benefit would be delivered by the change.
Dangerous Substances (Notification and Marking of Sites) Regulations 1990	Review of the Regulations.	Review completed by April 2004. Under review.	Work stopped following review - no significant benefit would be delivered by the change.
Dangerous Substances and Explosive Atmospheres Regulations 2002 (DSEAR)	Amendment to reflect revised interface with Marine and Coastguard Agency.	Review of any amendments that may be required will take place by quarter 3 of 2004/05.	Work stopped following review - no significant benefit would be delivered by the change.
Docks Regulations	Regulations, ACOP and guidance in process of revision in consultation with the industry.	Project under review.	Work stopped following review - no significant benefit would be delivered by the change.
Duty to investigate workplace accidents etc	Consideration of responses to recent consultation exercise.	Guidance developed quarter 4 2003/04. Guidance to be published quarter 1 2004/05.	Guidance published 8 July 2004.

Title of project/ regulations	Action planned	Milestone	Progress during 2004/05
Factories Act 1961 and Offices, Shops and Railway Premises Act 1963	Consolidation and removal of remaining requirements where possible.	Produce position paper on review work done so far and sunset project - quarter 1 2004/05.	Work stopped following review - no significant benefit would be delivered by the change.
First Aid at Work Regulations 1981	Follow on from research project leading to a consultation exercise in 2004.	Publish CD in quarter 2 2004/5.	Responses to a Discussion Document (DD) were analysed and in September 2004 HSC accepted HSE's recommendation that the Regulations and ACOP should not be changed. HSE will, however, address and consult on certain issues that require clarification and updating.
Gas Safety (Management) Regulations 1996	Consultation on amending Regulations.	CD to be published quarter 2 2004/05.	Not taken forward. Gas safety strategy reviewed to align with the Commission's Strategy and priorities reassessed.
Gas Safety (Installations and Use) Regulations 1998	Consultation on amending regulations and ACOP.	CD expected quarter 3 2004/05. Regulations to be implemented quarter 3 2005/6.	Not taken forward. Gas safety strategy reviewed to align with the Commission's Strategy for 2010 and beyond and priorities reassessed.
Health and Safety (Fees) Regulations 2004	Annual revision of fees to take account of inflation.		Regulations came into force 1 April 2004.
Inhalable Dust in Coal Mines	New Regulations and ACOP.	Regulations to be submitted quarter 4 2004/5. ACOP to be published quarter 4 2004/5.	Consultation concluded May 2004. Progress has been delayed by technical difficulties. Regulations and ACOP due to be implemented 6 April 2006.
Ionising Radiations Amendment Regulations	Amend the Ionising Radiations Regulations 1999.	CD to be published quarter 3 2004/05.	Work stopped following review - no significant benefit would be delivered by the change.
Manufacture and Storage of Explosives Regulations	Revise legal requirements in new regulations - replacing some 40 pieces of earlier legislation.	New Regulations expected quarter 3 2004/05.	Due to come into force 26 April 2005.
Petrol legislation	Phase 2 and 3 of the Modernising petrol project (Phase 1 completed by DSEAR).	CD on proposals for petrol filling stations (Phase 2) to be published by quarter 4 2004/05. Review of phase 3 to be undertaken in 2004/05.	Work stopped following review - no significant benefit would be delivered by the change.

Title of project/ regulations	Action planned	Milestone	Progress during 2004/05
Pipelines Safety (Amendment) Regulations	Amendments relating to the testing of emergency plans; additional duties relating to gasoline; and minor changes to existing definitions.	CD to be published quarter 2 2004/05. Amended Regulations due quarter 4 2004/5.	Work stopped following review - no significant benefit would be delivered by the change.
Railway Safety Regulations	Review of existing requirements for railway safety cases, approval of rail plant and equipment, and safety critical work following public inquiry reports, notably Lord Cullen's report on Ladbroke Grove, and European developments.	New Regulations to be agreed quarter 4 2004/05. These will implement safety management requirements in the Railway Safety Directive, and replace three existing sets of regulations on railway safety cases, approval of rail plant and equipment, and safety critical work.	Now referred to as the Railways and Other Guided Transport Systems (Safety) Regulations (ROGS). Main consultation ended November 2004 and supplementary consultation in January 2005. Timing of commencement is dependant on co-ordination with DfT's implementation of other EC railway safety Directives.
Railway Safety Regulations 1999	Review of requirements concerning Train Protection Warning System (TPWS) for over speed mitigation.	Possible amendments in 2004/05.	Awaiting proposals from Network Rail for a possible exemption application for the removal of the TPWS at permanent speed restrictions where it is being used as an over-speed detection system. Amendments delayed until 2005/06.
Control of Substances Hazardous to Health (Amendment) Regulations 2004 (COSHH)	Review of OEL framework in the Control of Substances Hazardous to Health framework. Implementation of EC Directive on high chromium (VI) cement.	Analysis of responses to CD due end of quarter 1. Regulations expected quarter 3 2004/05.	Consultation concluded and analysed. Main provisions implemented on 17 January 2005 with the remainder following on 6 April 2005.
Control of Substances Hazardous to Health Regulations (COSHH)	Revision of OEL for respirable crystalline silica (RCS).	Proposal (including regulatory impact assessment and draft CD) to be submitted to ACTS in November 2004. CD to be published quarter 4 2004/05. Consider responses to CD quarter 2 2005/06. Implement new OEL quarter 4 2005/06.	Consultation was due to begin in April 2005 but was postponed due to the General Election. It is now scheduled for May 2005.

Title of project/ regulations	Action planned	Milestone	Progress during 2004/05
Offshore Installations (Safety Case) Regulations 1992	Revise 1992 Regulations to improve effectiveness and reduce bureaucracy.	CD to be published quarter 1 2004/05. Regulations due end of quarter 1 2005/06.	Consultation concluded in November 2004. Due in force September 2005.
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR)	Fundamental review of legislation aimed at simplification and greater effectiveness.	Commission research and issue DD in quarter 2 2004/05. Consider responses to DD and issue CD quarter 4 2004/05 to quarter 1 2005/06.	Discussion document was published in March 2005 and the exercise will end on 30 June 2005.
Shipbuilding/Ship Repair Regulations	Revoke requirements superseded by Working at Heights Directive.	Consultation exercise ended at end of quarter 4 2003/04. Analysis of consultation exercise. Revocations to be implemented in quarter 3 2004/05.	Revocations occurred under the Work At Height Regulations 2005 that came into force on 6 April 2005.
Standard of training in safe gas installations ACOP	Amend the now outdated 1988 ACOP.	CD to be published in quarter 4, 2004/05 to include recommendations arising from the fundamental review of gas safety.	Not taken forward. Gas safety strategy reviewed to align with the Commission's Strategy and priorities reassessed.

Annex 3: HSC Advisory Committees

Industry advisory committees
Agricultural
Construction
Mining (formerly Deep Mined Coal)
Nuclear Safety
Health Services
Higher and Further Education
Offshore
Paper and Board
Printing
Railway
Rubber
Schools Education
Textiles

Subject advisory committees
Dangerous Substances
Occupational Health
Toxic Substances
Biocides Consultative*

Other committees
HSE and Local Authorities Enforcement (HELA)
Advisory Committee on Dangerous Pathogens
Scientific Advisory Committee on Genetic Modification

* The Biocides Consultative Committee is a non-statutory committee established in 2001 to provide HSC/E and ministers with independent scientific advice on the evaluation of biocidal products under the Biocidal Products Regulations 2001. Its members are appointed by HSC subject to the agreement of ministers.

When advisory committees produce and publish guidance they do so with HSC's endorsement. Subject advisory committees allow the Commission to take views on difficult issues, typically of cross-departmental interest. They provide formal consultation mechanisms in areas of high public and political sensitivity and the involvement of outside experts helps give legitimacy to their, and to the Commission's, activities. They also act as a sounding board for HSE proposals.

HSC's advisory committees encourage the joint participation of all representative organisations in the improvement of health and safety at work, draw on the expertise and advice available on both sides of industry and elsewhere, give the problems of particular industries closer and more detailed attention than HSC itself is able to do, and allow an industry focus on general issues (such as noise and COSHH). HSC also takes advice from HELA, which seeks to ensure consistency of approach among LAs and HSE.

Agendas, papers and minutes of meetings, as well as summaries of open meetings, are published on the internet at: http://www.hse.gov.uk/aboutus/meetings/index.htm. Examples of activities during the year:

Offshore Industry Advisory Committee (OIAC)

- In support of HSC's recent declaration, the key work priority is to develop an action programme to encourage greater workforce involvement in offshore safety.
- Fifth open session to date held in August 2004. This was a joint event with the industry's Step Change for Safety Programme Combined Networks and provided an excellent opportunity to encourage closer working and discuss common goals.
- Consideration of the outcome of consultation on proposals for new Offshore Installations (Safety Case) Regulations.

Construction Industry Advisory Committee (CONIAC)

- CONIAC was reconstituted in 2004, with a smaller membership and a new approach designed to encourage more effective partnership with intermediary groups and trade unions. The main committee met three times.
- A Construction Health and Safety Summit, attended by 200 senior directors and executives from the industry, took place in February 2005.
- A series of working parties met to advise and carry out work in support of HSE's Construction Programme, eg to improve standards of worker consultation and engagement in the industry and the revision of the Construction (Design and Management) Regulations. The House Builders Federation, the Construction Confederation and the Association of British Insurers made presentations to CONIAC demonstrating the work being carried out by members to improve standards in the industry.

Railway Industry Advisory Committee (RIAC)

- Fourth open meeting held in Edinburgh in July 2004. This successful meeting, attended by approximately 80 people, addressed *Are the railways safe enough?* and *Controlling risks at level crossings*. The meeting led to constructive talks between Network Rail and other stakeholders involved.
- Strategic advice provided to HSC on the development of the Railways and Other Guided Transport Systems (Safety) Regulations. The Human Factors Working Group developed a website providing guidance, information and case studies on a range of railway issues.

Advisory Committee on Toxic Substances (ACTS)

- Second open meeting held in November 2004, which was attended by 21 non-members. The conclusion from a questionnaire was that the meeting was a success.
- Further development of proposals to introduce a new occupational exposure limit framework, resulting in the publication of a consultation document in autumn 2003. There was widespread public support for almost all aspects of the proposals. Recommendations were made to HSC in 2004.
- ACTS members continue to promote HSC/E's new Chemicals Strategy, publicise and promote the new ACTS work plan and initiative to prevent occupational asthma, and to identify opportunities for joined-up working. Several potential initiatives are currently being explored that may result in joint chemical-related activities between ACTS and other advisory committees.
- Helping HSE develop sub-programmes on silica, skin disease and occupational cancer in support of HSE's Chemicals Programme.

Nuclear Safety Advisory Committee (NuSAC)

- Provided responses to a wide variety of consultation documents including DTI's *Proposals for intermediate level radioactive waste substitution*, and HSE's *Proposal to publish HSE criteria for delicensing parts of, or entire sites, licensed under the Nuclear Installations Act 1965*.
- Raised concerns regarding the possible pace of competition for nuclear licensed sites, which the NDA will take responsibility for. The HSC Chair forwarded those concerns to the Secretary of State.
- A new NuSAC Chair was appointed followed by a formal review of NuSAC in readiness for its reconstitution.
- Published a Triennial Report for its work for the period 1999 to 2001 (http://www.hse.gov.uk/ aboutus/hsc/iacs/nusac/ trirev99-01.pdf).

Occupational Health Reference Group (OHAC)

At the end of 2003, HSC agreed that it did not wish to reconstitute OHAC at that time and that HSE should seek other ways of consulting stakeholders on developments in occupational health.

- Some former members have met on an informal basis to assist with the development of Workplace Health Direct, new support pilots and other programmes. They have maintained links with their original sponsoring organisations.
- HSE is meeting existing occupational health providers as part of its work to determine service standards for the pilots. It has established a Programme Board for Workplace Health Direct that includes external members.
- Industry volunteers have been involved in the development of stress management standards. Experts have contributed through workshops, and a wide electronic consultation was undertaken, targeting groups with a high incidence of stress.
- HSE staff members maintain regular contact and discussion with occupational health professional organisations. HSE has introduced a short quarterly newsletter to keep a wider group of occupational health professionals informed of current developments. This information can be used to inform their networks.

Mining Industry Committee (MIC)

- Three meetings were held during 2004/05.
- During the period, the Committee reviewed progress with the legislative renewal programme for the Coal Mines Inhalable Dust Regulations, the relocation of the Selby Mines Rescue Station to Kellingley Mine, the *Falls of Ground Annual Report for 2003/04*, manriding train derailments, and the voluntary reporting arrangements.

Printing Industry Advisory Committee (PIAC)

- PIAC's plan of work concentrated on driving down MSDs in printing and publishing, and reducing ill health from chemical exposure. Its detailed annual report for 2003/04 showed an overall reduction in the rate of reported injuries for the printing and publishing industries since the baseline year of 1999/2000, mostly from fewer machinery-related accidents, but MSDs were also beginning to decline.
- A successful open meeting was held in Bristol in November 2004 on the theme of manual handling. Representatives from around 80 companies were given a practical demonstration on how to carry out a manual handling assessment using the new Manual Handling Assessment Chart tool (http://www.hse.gov.uk/msd/mac/index.htm).
- Members continue to actively engage in a project to deliver key guidance directly to printing companies.

Textiles Industry Advisory Committee (TEXIAC)

- Directed its efforts to reducing MSDs and to preparing the textiles, footwear and clothing industries for new regulations on controlling noise (expected implementation date February 2006).
- Open meeting held on noise (to help the industry work toward better control at source) at Leicester in March 2005. The well-attended meeting examined the likely impact of the proposed regulations on their companies and worked through a number of practical scenarios.

Rubber Industry Advisory Committee (RUBIAC)

- Discussions are currently ongoing with members to agree a new strategic direction. In its reconstituted form (due 2005), RUBIAC will better reflect the whole rubber industry and include not just manufacturers of tyres, retreaders and general rubber goods producers but also those handling rubber goods in the supply chain and service industries.
- Open meeting held in June 2004 at HSE's Newcastle-under-Lyme office. People were invited to sit in on a normal meeting and listen to the committee's deliberations.
- RUBIAC has long seen poor training as an obstacle to securing improvements in health and safety management in the industry. It issued a recommended practice approach to training for senior executives, managers, supervisors and shop floor workers in support of the RUBIAC Accident Reduction Action Plan. The action plan has training targets for companies who have signed up to it. Progress on the targets will be measured at the end of the action plan period against a baseline survey taken when the practice approach was issued.
- RUBIAC members became increasingly concerned about NHS urinary cytology screening for rubber and other workers. As a result of lobbying by RUBIAC members, the NHS UK National Screening Committee held a Bladder Cancer Screening Workshop in September 2004 in Leeds. This was well attended by employer and TU members of RUBIAC who put their arguments across so well on the benefits of such screening that the Committee Chair, Dr Muir Gray, agreed that the NHS should continue to provide the service.

Paper and Board Industry Advisory Committee (PABIAC)

- Arrangements are currently being made to reconstitute PABIAC. In the past it only dealt with papermaking; in its reconstituted form it will address the health and safety needs of the whole of the paper industry, from paper makers to converters (including corrugators) to recovered paper operations.
- Successful open meeting held in November 2004 attended by about 70 directors, managers, health and safety professionals, TU officers and safety representatives from the various paper industries. Topics addressed included transport safety, safe interventions at machines, assessing manual handling risks and securing workforce involvement in health and safety. The event was a successful way of sharing information about best practice and delegates gave a commitment to taking action to bring about improvements in their own businesses and places of work.
- A partnership approach was used to develop an agreed health and safety improvement strategy for the entire paper industry for the period 2005-08. The new strategy sets agreed targets for reducing the sector's reportable injury incidence rate, days lost due to injury and occupational ill health, provision of occupational health services, arrangements for absence management, implementation of robust safety management systems and continuously improving business safety culture.

Higher and Further Education Advisory Committee (HIFEAC) and the Schools Education Advisory Committee (SEAC)

- As called for in the Commission's Strategy, both committees were reviewed in 2003. This led to the development of a new approach, focusing on delivery of outcomes and involving more effective partnership working between key education stakeholders. We see re-engagement at this new level as a more effective way of delivering our targets.

Agricultural Industry Advisory Committee (AIAC)

AIAC held its last meeting in October 2003. HSC agreed to the continued existence of the committee and in February 2004 approved its reconstitution. The first meeting of the newly reconstituted AIAC will be held on 21 April 2005.

Examples of the activities and successes of AIAC's three working groups are as follows:

- The Arboriculture and Forestry Advisory Group (AFAG): HSE took responsibility for some of the educational and advisory work in the forestry and arboriculture industries that would have disappeared following the loss of the Forestry and Arboriculture Safety and Training Council (FASTCO).
- The Agriculture Safety Advisory Group (ASAG): The educational members of ASAG (the National Forum of Agricultural Engineers and the Association of Lecturers in Agricultural Machinery) were involved in pilot testing education training packs to ensure that HSE publications were fit for purpose. This work included feedback to the contractors developing the learning materials as well as involvement in the evaluation of the original *Tractor action* publication.
- The Health in Agriculture Group (HIAG): Working with others, including the Qualifications and Curriculum Authority, training providers and awarding bodies in the industry, HIAG developed a strategic agreement on the structure and content of vocational qualifications for improving the management of health and safety in agriculture.

HIAG also made progress in reducing the size of bagged and similar products to further reduce the risk of MSDs in the industry and sponsored independent evaluation of projects aimed at providing occupational health support and rehabilitation services to the farming community.

Advisory Committee on Dangerous Substances (ACDS)

- Two meetings were held during 2004/05 - an open meeting in Manchester in November 2004, and a 'routine' meeting the following day, at which members agreed that all routine ACDS meetings would be held in public. At the open meeting, members of the public were invited to discuss the impact of the Commission's Strategy on the work of ACDS, ACDS's involvement in work on land use planning, the Chemical Essentials project and the updating of the Explosives Act 1875.
- ACDS contributed towards the development of HSC's final proposals for the Manufacture and Storage of Explosives Regulations and the implementation of the amendments to the SEVESO II Directive (Directive 2003/105/EC).
- Pending its reconstitution, a review of the Committee's functions and working methods was undertaken. The results will be presented to HSC during 2005/06 with recommendations regarding the Committee's future role.

Other committees

HSE plays a key role in two other advisory committees which advise Government, namely the Advisory Committee on Dangerous Pathogens (ACDP), and the Scientific Advisory Committee on Genetic Modification (Contained Use) (SACGM(CU)).

- ACDP's secretariat is shared equally by HSE, the Health Protection Agency (HPA) and DEFRA and gives advice on biological agents.
- SACGM(CU) is a new committee set up in January 2004 to replace HSC's long-running Advisory Committee on Genetic Modification (ACGM). SACGM(CU)'s secretariat is run by HSE and it gives scientific advice to the UK Competent Authorities (HSE and DEFRA for England and Wales, HSE and the Scottish Executive for Scotland) on matters relating to genetically modified organisms in containment facilities.
- The committees have advised on a number of key areas including amendments to Schedule 5 of the Anti-terrorism, Crime and Security Act, and Civil Contingency issues such as pandemic flu preparedness.

Further information can be found at the following websites: http://www.hse.gov.uk/aboutus/meetings/acdp/index.htm; and http://www.hse.gov.uk/aboutus/meetings/sacgmcu/index.htm.

Annex 4: Statutory and other approval schemes

In some key areas of risk HSE continues to operate statutory assessment or approval schemes aimed at ensuring product safety before supply. Progress during 2004/05 is given below.

Chemical product safety

HSE is part, or the whole, of the UK Competent Authority or the relevant UK regulatory authority for several international programmes on chemicals and their potential effect on health, safety and the environment. Some programmes, eg under the Notification of New Substances (NONS) and Existing Substances Regulations, place prescriptive legal duties on HSE. Most of the programmes operate on the supply side, establishing a regulatory regime for industrial chemicals at their point of supply, which then guides the risk management of the chemical as it moves through the supply chain.

Progress

HSE continued in progressing the evaluation of substances assigned to the UK and in contributing to the international debate on chemical safety. A proposal has been made for the replacement of the existing schemes by a new approach, which is currently under discussion in the European Council; HSE has been contributing to the UK position in the negotiations (DEFRA leads for the UK). NONS: 208 items were processed against a predicted 211.

Pesticides and biocides approval

Pesticides and biocides can present high risks to workers' health as well as to bystanders and the environment. Government has decided these chemicals warrant statutory approval schemes. On behalf of HSC, HSE acts as the UK Competent Authority for biocides under the EU Biocidal Products Directive, and for the approval of pesticides under the national Control of Pesticides Regulations. As such HSE carries out the technical appraisal of non-agricultural pesticides and has the lead for worker protection issues for agricultural pesticides. Work has now begun on reviewing substances under the biocides scheme that will lead to improved worker protection across the EU.

Progress

- 150 pesticide approvals issued, 96% delivered within agreed performance standards. One new active substance assessed.
- 16 000 enquiries dealt with (predicted figure: 9000). All enquiries answered within the 'service first' deadlines.
- UK representation at European Competent Authority meetings continued, as did that at Technical Meetings to develop guidance on the evaluation of active substances and products.

First aid approval and monitoring

The First Aid Approvals and Monitoring Section (FAAMS) has carried out preliminary assessments of (and arranged for the Training Approval Services Consortium (TASC), as its main contractor, to carry out original approval assessments and original approval monitoring visits for) the 70 new training provider entrants to the first aid at work training industry in 2004/05. FAAMS has also organised (through TASC) around 300 post-approval monitoring visits to existing training organisations. FAAMS has carried out a programme of direct verification visits with TASC in order to assess their quality and consistency.

Asbestos licensing

Currently 3000-4000 people a year die from asbestos-related diseases caused by exposures relating to working conditions many years ago. The Asbestos (Licensing) Regulations 1983 ban anyone from carrying out work with the most hazardous forms of asbestos-containing material unless they hold (or work for someone who holds) a licence granted by HSE. HSE carries out assessments of licence applicants to ensure that only those who are competent are granted a licence. Licensees are required by their licence conditions to notify the enforcing authority with details of the proposed work so the latter can assess the proposals and inspect the site before or during the work.

Progress

- As at 23 March, 251 new and renewal licences issued.
- Following assessment, 24 applicants were refused a licence, as they did not meet the required standard.
- Monitoring of performance on site resulted in 37 enforcement notices being served on licensees, the conviction of three licensees for asbestos-related offences, and the revocation of one company's licence.
- Targets for visits made by HSE to priority category licensees were all exceeded bar one category (85% of new licensees visited against a target of 90%). HSE carried out 896 site inspections.

Employment Medical Advisory Service (EMAS)

EMAS consists of registered occupational health practitioners (doctors and nurses) who provide advice to HSE and LA inspectors on all aspects of occupational health, who investigate cases of ill health and perform primary inspection of health risks in the workplace. EMAS staff also run statutory schemes for medical examinations for workers exposed to lead, asbestos, ionising radiation, some chemicals, compressed air and divers. The structure of the occupational health professionals in HSE, who provide the Employment Medical Advisory Service, is under review to ensure that their organisation better serves the Commission's Strategy.

Other statutory schemes

- **Notification and consent of genetically modified organisms** under the Genetically Modified Organisms (Contained Use) Regulations 2000: HSE received 150 notifications/consents.
- **Inspection of environmental aspects of transgenic organisms** (under an agency agreement with DEFRA, the Scottish Executive and the Welsh Assembly Government): 30 visits were made to premises.
- **The notification of use or storage of biological agents under Schedule 3 of COSHH Regulations 2002**: HSE received 38 notifications for the use of biological agents under the COSHH Regulations. Five notifications were received under RIDDOR.
- **Approval of dosimetry services under the Ionising Radiations Regulations 1999**: 44 approvals issued.
- **Approvals of Transportable Pressure Vessel Design**: two issued.

Part 2

Health and Safety Commission Accounts and Health and Safety Executive Accounts

2004/05

Foreword

1 Background information

The Health and Safety at Work etc. Act 1974 provided for the creation of a Health and Safety Commission (HSC) and Health and Safety Executive (HSE) and the continuation of the Employment Medical Advisory Service (EMAS). The Commission came into being on 1 October 1974 and appointed the Health and Safety Executive on 1 January 1975. The aims of the Commission and the Executive, whose existence and functions derive from the 1974 Act, are to protect the health, safety and welfare of employees and to safeguard others, principally the public, who may be exposed to risks from work activities. For further information refer to paragraphs 1 to 362 of the Annual Report.

The financial statements of the Commission and Executive have been prepared pursuant to paragraphs 14(1) and 20(1) of Schedule 2 of the Health and Safety at Work etc. Act 1974 in a form determined by the Secretary of State with the approval of the Treasury. They are accruals-based financial statements that show the full in-year costs of the Commission and Executive. The financial statements consolidate the figures for the Health and Safety Laboratory (HSL). HSL became an in-house agency of HSE on 1 April 1995 and operates on 'Next Steps Agency' principles under the direction of a Chief Executive, who is also their Accounting Officer. They are required to recover the full cost of their operations in accordance with HM Treasury's *Fees and Charges Guide* and are subject to the controls imposed on a net running costs regime.

2 Results and appropriations

Net operating cost for HSC was £694 006. The net operating cost for HSE was £214 849 652.

3 Review of activities

The Annual Report reviews the delivery of aims/objectives and plans published in the HSE Business Plan 2004/05.

4 Significant changes in the values of fixed assets

Land and buildings and furniture and fittings additions (refer Note 6) include amounts of £54 million and £2.4 million respectively relating to the completed construction of a new laboratory at Buxton to accommodate all of HSL and which has been funded under the Private Finance Initiative (refer Note 20).

5 Market value of land and buildings

The leasehold building at Stoneleigh, which has an existing use value of £225 000, has an open market value of nil due to the strict user clause and the bar on assignment and sub-letting. Other than this property, there is no significant difference between the book values and the market values of land and buildings included in these accounts.

6 Research and development

HSE's research and development and technical support are detailed in paragraphs 290 to 299 of the Annual Report.

7 Future development

The Secretary and Minister of State for Work and Pensions have recently approved the HSC *Business Plan 2005/06 to 2007/08* (http://www.hse.gov.uk). This document sets out how we intend to prioritise and focus our work, to use our recently confirmed resource settlement (from the 2004 Spending Review) to implement the HSC *Strategy for workplace health and safety in Great Britain to 2010 and beyond* and deliver the Public Service Agreement (PSA) target. The goal by 2008 is to improve health and safety outcomes in Great Britain through progressive improvement in the control of risks in the workplace.

As part of our accommodation strategy, and following a competitive exercise to provide new serviced offices for its Merseyside Centre, HSE chose Kajima Development as the preferred bidder in December 2002. The full business case was approved by the Department for Work and Pensions (DWP) in August 2003 and negotiations concluded in October 2003 when contracts were exchanged. Construction is well advanced and occupation is likely to take place over the summer 2005.

8 Health and Safety Commission members

Chairman: Bill Callaghan.

Other members: George Brumwell CBE, Margaret Burns CBE, Daniel Carrigan, Abdul Chowdry, Judith Donovan CBE, Joyce Edmond-Smith, Judith Hackitt, John Longworth, Elizabeth Snape and Hugh Robertson.

George Brumwell resigned with effect from 30 September 2004 and was succeeded on 1 October 2004 by Daniel Carrigan.

Abdul Chowdry resigned with effect from 31 March 2005 and was succeeded on 1 April 2005 by Sayeed Khan.

9 Health and Safety Executive members

Director General: Timothy Walker CB.

Other members: Kate Timms CB, Justin McCracken and Jonathan Rees.

Kate Timms retired in September 2004 and was succeeded by Jonathan Rees.

10 Corporate governance

The Health and Safety Commission and the Health and Safety Executive are committed to supporting the Combined Code on Corporate Governance and the Turnbull Report to the extent that the Code can be applied to the Public Sector.

HSC ('the Commission') comprises a Chairman and nine members who are all the equivalent of independent non-executive directors. They are appointed on a fixed term basis (see Note 3 in the HSC accounts and Note 2 in the HSE accounts) with no automatic right of reappointment. The appointments are made by the Secretary of State through standard public appointment procedures. Commission members are appointed after consultation with organisations representing employers, employees, local authorities and other relevant bodies.

HSE ('the Executive') comprises a Director General and two deputies who are all the equivalent of executive directors (see page ix of the Annual Report). All three members of the Executive are appointed by the Health and Safety Commission under Civil Service rules administered by the Civil Service Commissioners and with the approval of the Secretary of State. The remuneration of the Executive members is determined by a Commission Pay Committee, within the framework for Senior Civil Service pay.

The general functions of the Commission and the Executive are specified in the Health and Safety at Work etc. Act 1974, the Executive being primarily responsible for operational matters. Regular meetings are held both by the HSC and the HSE Board to discuss strategic direction and plans, formulate policy on key issues etc in order to maintain full and effective control over all significant policy, regulation and guidance, compliance, organisational and financial issues.

Throughout the year and in all material respects, the Executive complied with the terms of the financial memorandum issued by the Secretary of State. A separate statement is made on the system of internal control.

11 Equality and diversity

The Executive is an Equal Opportunities Employer with a determination to treat all people fairly, irrespective of gender, ethnic origin, marital status, religious belief, age, sexual orientation or disability. Main achievements during 2004/05 are shown in paragraph 323 of the Annual Report.

12 Employee involvement

There are well-established consultation arrangements in HSE for recognised trade unions to contribute to all matters affecting the staff. Staff involvement is actively encouraged as part of day-to-day line management and efforts are being made to improve methods and channels of communication. In addition to formal consultations with HSE trade unions, staff are directly consulted and briefed about major proposals for organisational or personnel changes. Further details are shown in paragraphs 338 to 341 of the Annual Report.

13 Prompt payments

HSE is committed to the prompt payment of bills for goods and services received and conforms to the principles of the Better Payment Practice Code, issued by the Better Payment Practice Group. Payments are normally made as specified in the contract. If there is no contractual provision, or other understanding, payment is due to be made within 30 days of the receipt of the goods or services or presentation of a valid invoice or similar demand, whichever is later. HSE's overall performance during 2004/05 was 99.4% (2003/04 - 98.9%) of invoices paid within the agreed credit period.

14 Health and safety within HSE

The Executive aims to set and maintain exemplary standards of performance which are consistent with those recommended by us to others, so as to ensure the health and safety of its staff, as well as others who may work at or visit our premises. Further details are shown in paragraphs 345-362 of the Annual Report.

15 Environment

HSE has continued to pursue and promote best environmental practice and to implement initiatives set out in the model policy statement issued by the Department of the Environment, Food and Rural Affairs (DEFRA). Further details are shown in paragraph 330 of the Annual Report.

16 Introduction of the euro

While the UK stays outside the European Monetary Union (EMU), the euro is a foreign currency and HSE processes a relatively small number of foreign currency (European) transactions. HSE continues to manage preparations necessary for possible changeover to the single currency, in line with the Second National Changeover Plan.

DWP continues to maintain its changeover planning and preparation activities such that, in the event of a positive decision to join the single European currency, the changes required to the computer systems, business systems and products will have been identified and quantified and we would be able to meet the timescales set out in the Third National Changeover Plan.

17 Pension liabilities

Details of pension costs etc are contained in HSC's Notes to the Accounts (statement of accounting policies, Note 1(c) and also Note 3) and HSE's statement of accounting policies (Note 1(k) and also Note 2).

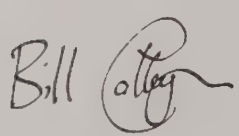
18 Auditors

The financial statements of the Commission and Executive are audited under Schedule 2 paragraphs 14(2) and 20 of the Health and Safety at Work etc. Act 1974 by the Comptroller and Auditor General whose Certificate and Report appear on pages 72 and 79.

In May 2004 the National Audit Office (NAO) published a report titled *Improving health and safety in the construction industry* which looked at the strategic approach taken by HSE in this area and the impact and success of HSE's work to improve health and safety performance in the industry. In addition HSE has provided information to a number of NAO studies including those into the Department of Trade and Industry's (DTI's) role in the restructuring of British Energy and into the Small Business Service.



Timothy Walker CB
Director General
Health and Safety Executive
Accounting Officer
20 June 2005



Bill Callaghan
Chairman
Health and Safety Commission
Accounting Officer
20 June 2005

Statement of the Commission's, the Executive's, the Chairman's and the Director General's responsibilities

Under paragraphs 14(1) and 20(1) of Schedule 2 of the Health and Safety at Work etc. Act 1974 the Health and Safety Commission and the Health and Safety Executive are required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Commission's and the Executive's state of affairs at the year-end and of their net operating cost, recognised gains and losses and cash flows for the financial year.

In preparing their accounts, the Commission and Executive are required to:

- observe the Accounts Directions issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Commission and the Executive will continue in operation.

The Accounting Officer for the Department for Work and Pensions has designated the Chairman of the Health and Safety Commission and the Director General of the Health and Safety Executive as Accounting Officers for the Commission and Executive respectively. Their relevant responsibilities as Accounting Officers, including their responsibilities for the propriety and regularity of the public finances for which they are answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Government Accounting.

Statement on internal control

1 Scope of responsibility

As Accounting Officers (for the Health and Safety Commission, the Chair, and for the Health and Safety Executive, the Director General), we have responsibility for maintaining a sound system of internal control that supports the achievement of the Health and Safety Commission's (HSC's) and the Health and Safety Executive's (HSE's) policies and strategic priorities, agreed with the Department's ministers, while safeguarding the public funds and assets for which we are personally responsible, in accordance with the responsibilities assigned to us in Government Accounting.

HSC and HSE are Non-Departmental Public Bodies established under the Health and Safety at Work etc Act 1974. The sponsoring department is the Department for Work and Pensions (DWP). DWP ministers have responsibility for health and safety issues in government. HSC/E submits quarterly performance reports on progress towards Public Service Agreement (PSA) targets to the DWP minister responsible for workplace health and safety (the Minister for Work). The Chair of the Commission and senior HSE managers meet the Minister formally twice a year to discuss these reports, in addition to other meetings and contacts; HSC/E also report to other ministers on different aspects of health and safety.

HSC/E's vision is to gain recognition of health and safety as a cornerstone of a civilised society, and with that, to achieve a record of workplace health and safety that leads the world. Strategy for securing health and safety in relation to work activities is set by HSC with input and support from HSE.

In February 2004 HSC published its strategy for the health and safety system as a whole. The *Strategy for workplace health and safety in Great Britain to 2010 and beyond* sets out what HSC wants to achieve and how. It draws on previous publications *Securing Health Together* and *Revitalising Health and Safety*; both published in 2000. It focuses on delivering the targets agreed with ministers originally set out in *Revitalising Health and Safety*. A key theme is to concentrate on things that HSE and LAs are best placed to do and where they will have greatest impact.

2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, objectives and strategic priorities. It can therefore provide only reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of HSC/E's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. It has been in place and progressively developed in HSC/E over the year ended 31 March 2005 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

3 Capacity to handle risk

Reducing risk to members of the public so far as is reasonably practical is an integral part of HSC/E's mission. HSC consults formally on all regulatory changes. It is also using new means of consultation in order to ensure as wide a range of stakeholders as possible is reached.

During 2004, HSE developed the Business Plan 2005/06-2007/08 which sets out its delivery plans. This will be primarily through Strategic Delivery Programmes (SDPs) supported by four Strategic Enabling Programmes (STEPs). Risk registers are evolving for each SDP with lower level registers in place or developing for the component parts. Effective risk management has been built into training modules and guidance.

HSE's corporate planning system has been changed radically to meet these developments. HSC's Business Plan for 2004/05, the first to put the new Strategy into practice, and its successor for 2005/06-2007/08, set out how HSE would use its resources, alongside LA enforcement partners and other key stakeholders, to deliver the Government's health and safety PSA targets. They are aimed at protecting people by ensuring health and safety risks in the changing workplace are properly controlled.

HSE has moved to delivering a large proportion of its work through programmes and projects. A dedicated team has been established, an intranet site set up, a structured suite of workshops has been delivered, covering programme and project working and the concepts of business risk, to equip staff for this new way of working. Specific business risk workshops helped in building the risk register when three smaller programmes were merged to form the Fit for work, Fit for life, Fit for tomorrow (Fit3) Strategic Delivery Programme. Internally produced guidance *Business risk management in HSE: A short practical guide*, a product of HSE's Risk Management Improvement Plan (RMIP), is on the intranet site. It is a requirement that formal programme and project management techniques are used for the planning and delivery of all programme activity.

HSE's Risk Management Improvement Plan for 2004/05 was designed to embed risk management processes further across the organisation. Much of this has been delivered.

4 The risk and control framework

HSE's Risk Management Framework codifies its overall strategy for risk management. It emphasises the need for business risk management to be integrated with the organisation's management system to ensure that risks to business are managed effectively and proportionately.

The Corporate Risk Register sets out HSE's strategic risks and is the focus for business risk management at corporate level. For each risk a Board-level risk owner has responsibility for ensuring adequate measures for managing their risk are in place and that their adequacy is regularly reviewed. Where appropriate, action is taken or in hand to add further controls if needed. Risk owners review the risks they own to test whether they should be in the corporate register and their mitigation is still appropriate. Risk owners have provided the Accounting Officers with signed 'stewardship statements' confirming that the risks they own have been properly managed.

The HSE Board considered the Corporate Risk Register four times in 2004/05 and change proposals were adopted. It meets formally monthly to action health and safety issues, broad personnel matters, and HSE's approach to policy and strategic matters. It also monitored and managed performance and delivery in key areas of HSE's business quarterly, using a Balanced Scorecard. During 2004/05 the Balanced Scorecard approach was further developed to meet HSE purposes and continues to be developed in 2005/06.

A Delivery Board was established to support HSE's main board in monitoring the delivery of the workplace health and safety targets. A Business Improvement and Efficiency Board ensured HSE's business improvement and efficiency programmes contributed to delivery of HSC/E's mission. Both were in place for most of 2004/05 until subsumed into the Resources and Delivery Group (RDG) in January 2005 in order to simplify and rationalise governance structures.

The Resources and Delivery Group consists of HSE's five principal budget holders. Its objective is to ensure that HSE remains in a sound financial position, uses resources effectively, improves business efficiency and progresses towards its PSA targets. All boards have a focus on managing any risks to the programmes and projects within their remits where these could not be effectively addressed at a lower level.

Use of resources is subject to clear delegation, specified and agreed in writing, from HSE's Accounting Officer to individual senior managers who are principal budget holders.

HSE's and HSL's* budgets are monitored as a whole and monthly reports provided to main budget holders, the Finance Director and the Accounting Officer (and in turn to the Department and Treasury) based on the latest resource outturn information provided by directorates.

Established corporate policies continue to operate covering a wide range of issues. They provide an effective control across a range of risks including the health and safety of HSE's own staff and contractors, personnel matters, planning, finance, accounting, procurement, information technology and regularity, propriety and authorisation of expenditure. All are set out in codes and other instructions, communicated throughout the organisation, and available to all staff.

* The Health and Safety Laboratory (HSL) was established as an in-house agency of HSE on 01/04/1995 and operates on 'Next Step Agency' principles. It provides health and safety science and research services. It has its own Accounting Officer and arrangements to manage risk.

5 Review of effectiveness

As Accounting Officers, we have responsibility for reviewing the effectiveness of the system of internal control. Our review of this is informed by the work of the internal auditors and the executive managers within HSE who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. We have been advised on the implications of the result of our review of the effectiveness of the system of internal control by the Board, the Audit Committee and the risk owners; a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Audit Committee, chaired by Judith Hackitt, a member of the Commission, met twice in 2004/05. In December it discussed progress on risk management in HSE. Members of the committee also considered by correspondence further aspects of risk management in March, including the *Risk Management Improvement Plan for 2005/06*. The committee will continue to receive regular progress reports in future. It is responsible for advising the Accounting Officers on corporate governance issues including risk and internal control.

HSE's Internal Audit Unit has direct access to the Accounting Officer and operates to Government Internal Audit Standards. HSL has an internal audit function supplied by a private sector auditor which also works to Government Internal Audit Standards. Their work plans are approved by the HSL Audit Committee to which they make regular reports. They include an opinion on the adequacy and effectiveness of the system of internal control, and make recommendations for improvement. The overall risk management arrangements have been developed in consultation with HSE's Internal Audit Unit and will be subject to regular review by it. The Internal Audit work programmes will continue to focus on testing the adequacy and effectiveness of the systems of internal control in HSE and HSL.

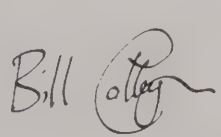
The overall opinion of the Head of Internal Audit is that HSC/E has a generally sound framework of control which provides reasonable assurance regarding the effective and efficient achievements of its objectives. The organisation has implemented a comprehensive business risk management process during 2004/05 and is working to continuously improve this process during 2005/06.

6 Significant internal control problems

There were no significant internal control problems.



Timothy Walker CB
Director General
Health and Safety Executive Accounting Officer
20 June 2005



Bill Callaghan
Chairman
Health and Safety Commission Accounting Officer
20 June 2005

Health and Safety Commission

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 73-78 under the Health and Safety at Work etc. Act 1974. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 74.

Respective responsibilities of the Commission, Chairman, and Auditor

As described on page 69, the Chairman of the Health and Safety Commission is responsible for the preparation of the financial statements in accordance with the Health and Safety at Work etc. Act 1974 and directions made thereunder by the Secretary of State and for ensuring the regularity of financial transactions. The Chairman and the Director General of the Health and Safety Executive are jointly responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Health and Safety at Work etc. Act 1974 and directions made thereunder by the Secretary of State, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Commission has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the joint statement on pages 70-71 reflects the Commission's compliance with Treasury's guidance on the 'Statement on Internal Control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officers' Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Commission's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Chairman in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

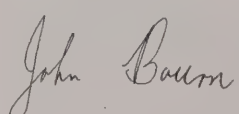
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the net operating cost of the Health and Safety Commission for the year ended 31 March 2005 and of the amount transferred to the Health and Safety Executive and have been properly prepared in accordance with the Health and Safety at Work etc. Act 1974 and with the directions made thereunder by the Secretary of State; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.



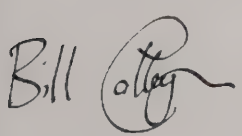
Sir John Bourn
Comptroller and Auditor General, National Audit Office,
157-197 Buckingham Palace Road, London SW1W 9SP
27 June 2005

Schedule 2 Health and Safety Commission: Operating cost statement for the year ended 31 March 2005

	Notes	2004/05 £'000	2003/04 £'000
Administration costs			
Staff costs	3	417	331
Other administration costs	4	277	313
Gross administration costs		694	644
Operating income		-	-
Net operating cost		694	644

All income and expenditure is derived from continuing operations.

The Notes on pages 74-78 form part of these accounts.



Bill Callaghan
Chairman
Health and Safety Commission
Accounting Officer
20 June 2005

Health and Safety Commission

Annual Report and Accounts 2004/05
Notes to the Accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2004/05 Resource Accounting Manual (RAM) (http://www.resource-accounting.gov.uk) issued by HM Treasury. The particular accounting policies adopted by HSC are described below. They have been applied consistently in dealing with the items considered material in relation to the accounts.

(a) Accounts Directions

In accordance with Accounts Directions issued by the Secretary of State with the approval of the Treasury, the Health and Safety Commission and Health and Safety Executive have prepared a joint Foreword, Statement of Responsibilities and Statement on Internal Control and separate Operating Cost Statement (Schedule 2). HSC has not produced a Balance Sheet as any assets and liabilities of HSC are included in the HSE Balance Sheet (Schedule 3) and are not material in value in the context of HSE balances (see Note 2 Request for Resources). HSC has no bank account and all direct and indirect expenditure is paid for by HSE, so the production of a Cash Flow Statement (Schedule 4) is deemed inappropriate. HSC has no need to produce Parliamentary Control Schedules (Schedules 1 and 5) and the relevant information is contained in those schedules within DWP's accounts (refer Note 2 with regard to Request for Resources).

(b) Accounting convention

Consolidated accounts have not been prepared, with the agreement of HM Treasury and NAO, on the basis that there is a statutory requirement to produce separate accounts for HSC and HSE and it would be administratively burdensome and provide no additional information for the reader of the accounts.

(c) Pension costs

The current Chairman is not a member of the Principal Civil Service Pension Scheme (PCSPS) but arrangements exist whereby the Health and Safety Executive make pension payments analogous to those that would have been made if he had been a member of the PCSPS and are payable out of the current year's funds that are made available. A notional pension cost of 18.5% is added to the Chairman's emoluments.

In line with FRS 17, a pension provision has been set up on a 'by analogy to the PCSPS' basis to account for the value of an equivalent fund for the Chairman. An actuarial valuation of the fund was carried out as at 31 March 2004. It has been undertaken on the following assumptions:

- an investment return in excess of price increases of 3.5% pa;
- the earnings cap increases in line with price inflation;
- the gross rate of return is assumed to be 6% pa although this assumption has a minor impact on the calculation of the liability;
- in nominal terms these assumptions are then equivalent to an allowance for increases in pensionable salaries of 2.4% pa and an allowance for price inflation of 2.4% pa; and
- Mr Callaghan is not reappointed at the end of his term, and his pension will be preserved until age 60 when it will come into payment.

The provision is included in the HSE accounts.

The appointment of Commission members is non-pensionable.

The employees of the Health and Safety Commission, other than the Chairman and Commission members, are civil servants to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. For details of the schemes please refer to HSE accounts, accounting policy Note 1(k).

2 Request for Resources

Pursuant to Section 43 of the Health and Safety at Work etc. Act 1974, the Commission is financed by Request for Resources from DWP (Request for Resources 2).

The total Request for Resources received by the Health and Safety Commission from DWP for the financial year 2004/05 was £209 719 000 and after deducting £416 757 for staff costs and £277 249 for other operating charges, the sum of £209 024 994 was allocated to the Health and Safety Executive. These transactions pass through Reserves in the Balance Sheet but produce a nil value in HSC.

	£'000
Opening general fund 1 April 2004	NIL
Net parliamentary cash funding	209 719
Net operating cost	694
Cash transfer to HSE (refer HSE Schedule 4)	209 025
Closing general fund 31 March 2005	NIL

3 Expenditure of the Health and Safety Commission

Staff numbers and costs

(a) Staff costs of the Health and Safety Commission

	2004/05			2003/04
	£'000	£'000	£'000	£'000
	Directly employed staff	Others	Total	
Wages and salaries	361	4	365	267
Social security costs	33	-	33	23
Other pension costs	19	-	19	41
Sub total	413	4	417	331
Less recoveries in respect of outward secondments	-	-	-	-
Total net costs	413	4	417	331

(b) The average number of employees during the year of the accounts, other than the Chairman and Commission members

	2004/05			2003/04
	Numbers	Numbers	Numbers	Numbers
	Directly employed staff	Others	Total	Total
Non-specialist staff	5.5		5.5	4.5

Note:

For further details on pension arrangements for non-specialist staff please refer to HSE accounts (accounting policy Note 1(k) and Note 2).

(c) Emoluments of the Chairman

							2004/05
	Salary	Other taxable benefits (to nearest £100)	Real increase in pension at 60	Total accrued pension at 60 at 31 March 2005	CETV at 31 March 2005	CETV at 31 March 2004	Real increase in CETV
	£'000	£	£'000	£'000	£'000	£'000	£'000
Bill Callaghan	100-105	0	0-2.5 plus 2.5-5 increase in lump sum	30-35 plus 95-100 lump sum	520	482	20

						2003/04
	Salary	Other taxable benefits (to nearest £100)	Real increase in pension at 60	Total accrued pension at 60 at 31 March 2004	CETV at 31 March 2004	Real increase in CETV
	£'000	£	£'000	£'000	£'000	£'000
Bill Callaghan	95-100	0	0-2.5 plus 2.5-5 increase in lump sum	35-40 plus 110-115 lump sum	482	20

Notes:

Salary *'Salary' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.*

Pensions *No Commission members, other than the Chairman, have pensions (see Note 1(c)).*
There are no outstanding contributions payable to the Civil Service Superannuation Vote at 31 March 2005.
There were no employer contributions to partnership pension accounts during the year.

CETV (Cash Equivalent Transfer Value) is the actuarially assessed value of the Chairman's pension scheme benefits accrued by him (for further details refer to HSE Note 2(d)).

(d) Emoluments of the Commission members

	Salary	Fees	Other taxable benefits	2004/05 Total
	£	£	£	£
George Brumwell CBE (1)	7 500	-	-	7 500
Margaret Burns CBE	15 000	-	6 734	21 734
Abdul Chowdry	15 000	-	5 576	20 576
Daniel Carrigan (2)	7 500	-	3 796	11 296
Judith Donovan CBE	15 000	-	3 551	18 551
Joyce Edmond-Smith	15 000	-	732	15 732
Judith Hackitt	15 000	-	-	15 000
John Longworth	15 000	-	969	15 969
Hugh Robertson (3)	15 000	-	78	15 078
Elizabeth Snape	15 000	-	-	15 000
	135 000	-	21 436	156 436

	Salary	Fees	Other taxable benefits (to nearest £100)	2003/04 Total
	£	£	£	£
George Brumwell CBE	1 475	1 836	-	3 311
Margaret Burns CBE	1 475	7 421	7 900	16 796
Abdul Chowdry	1 475	3 519	6 100	11 094
Judith Donovan CBE	1 475	4 590	3 100	9 165
Joyce Edmond-Smith	1 475	5 714	700	7 889
Judith Hackitt	1 475	2 142	-	3 617
John Longworth	1 475	2 924	300	4 699
Maureen Rooney CBE (4)	123	-	-	123
Elizabeth Snape (5)	615	918	-	1 533
Owen Tudor (6)	1 475	2 778	-	4 253
	12 538	31 842	18 100	62 480

Notes:

(1) Resigned 30 September 2004.
(2) Appointment commenced 1 October 2004.
(3) Appointment commenced 1 April 2004.
(4) Died May 2003.
(5) Appointment commenced 1 November 2003.
(6) Resigned 31 March 2004.

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. Other taxable benefits for Commission members include mileage and an accommodation allowance, as appropriate. Any ensuing tax liability is met by HSC.

Notes (continued):

The Chairman and Commission members are appointed for a fixed term of up to three years. The Chairman is part-time, working four days a week. If the Chairman or a member leaves the Commission other than on the expiry of their term of office, and it appears to the Secretary of State that there are special circumstances that justify the payment of compensation, a payment can be made as determined by the Secretary of State with Treasury approval.

4 Non-administration costs of the Health and Safety Commission

	2004/05	2003/04
	£'000	£'000
General administrative expenses	147	212
Travel, subsistence and hospitality for:		
Chairman, Commission members and support staff (see note below)	66	60
Rent, rates, maintenance and other premises costs	64	41
	277	313

Note:

Travel, subsistence and hospitality expenses for the Chairman and Commission members was £53 943 (2003/04 - £51 726), while the total for the support staff was £11 815 (2003/04 - £8 718).

5 Related party transactions

The Health and Safety Commission is an Executive Non-Departmental Public Body with Crown status and is sponsored by DWP.

DWP is regarded as a related party. During the year, HSC did not have any material transactions with DWP or other entities for which DWP is regarded as the parent Department.

None of the Commission members or any persons connected with them have any interest in any material transactions with HSC/HSE or received benefits from their suppliers during the year.

Health and Safety Executive

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 80-103 under the Health and Safety at Work etc. Act 1974. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 84-86.

Respective responsibilities of the Executive, Director General and Auditor

As described on page 69 the Director General of the Health and Safety Executive is responsible for the preparation of the financial statements under the Health and Safety at Work etc. Act 1974 and directions made thereunder by the Secretary of State and for ensuring the regularity of financial transactions. The Director General and the Chairman of the Health and Safety Commission are jointly responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Health and Safety at Work etc. Act 1974 and directions made thereunder by the Secretary of State, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Executive has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the joint statement on pages 70-71 reflects the Executive's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officers' Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Executive's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Director General in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Executive's circumstances, consistently applied and adequately disclosed.

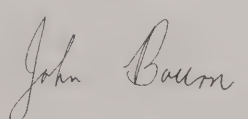
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Health and Safety Executive at 31 March 2005 and of the net operating cost, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Health and Safety at Work etc. Act 1974 and the directions made thereunder by the Secretary of State; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.



Sir John Bourn
Comptroller and Auditor General, National Audit Office,
157-197 Buckingham Palace Road, London SWIW 9SP
27 June 2005

Schedule 2 Health and Safety Executive: Operating cost statement for the year ended 31 March 2005

	Notes	2004/05 £'000	2003/04 £'000
Administration costs			
Staff costs	2	147 773	146 363
Other administration costs	3	94 653	81 569
Gross administration costs		242 426	227 932
Operating income	5	(49 313)	(51 304)
EU income	5	(701)	(601)
Net administration costs		192 412	176 027
Programme costs			
Expenditure	4	29 850	29 603
Less income	4 & 5	(7 412)	(8 365)
Net programme costs		22 438	21 238
Net operating cost		214 850	197 265

All income and expenditure is derived from continuing operations.

Statement of Recognised Gains and Losses for the year ended 31 March 2005

	2004/05 £'000	2003/04 £'000
Net gain on revaluation of tangible fixed assets (refer Note 13)	6 224	31
Increase to provision arising on actuarial valuation of pensions by analogy	-	(83)
Total recognised gains and losses for the financial year	6 224	(52)

The Notes on pages 84-103 form part of these accounts.

Schedule 3 Health and Safety Executive: Balance Sheet as at 31 March 2005

	Notes	£'000	31 March 2005 £'000	£'000	31 March 2004 £'000
Fixed assets					
Tangible assets	6		83 429		27 176
Debtors: falling due after more than one year	9		4 778		406
Current assets					
Stocks	8	1 620		2 255	
Debtors	9	22 314		21 973	
Cash at bank and in hand	10	224		137	
		24 158		24 365	
Creditors (amounts falling due within one year)	11	(12 193)		(11 312)	
Net current assets			11 965		13 053
Total assets less current liabilities			100 172		40 635
Creditors (amounts falling due after more than one year)	11		(57 607)		-
Provisions for liabilities and charges	12		(3 744)		(3 435)
			38 821		37 200
Taxpayers' equity					
General fund	18		31 496		34 332
Revaluation reserve	13		7 325		2 868
			38 821		37 200

The Notes on pages 84-103 form part of these accounts.

Timothy Walker CB
Director General
Health and Safety Executive
Accounting Officer
20 June 2005

Schedule 4 Health and Safety Executive: Cash flow statement for the year ended 31 March 2005

	Note	2004/05 £'000	2003/04 £'000
Net cash outflow from operating activities		(204 282)	(187 063)
Capital expenditure and financial investment		(3 985)	(5 887)
Receipts due to DWP which are outside the scope of HSE's activities		1	1
Payments of amounts due to DWP		(787)	(2 286)
Financing		209 025	196 422
(Decrease)/increase in cash in the period	Refer over	(28)	1 187
NOTES			
Reconciliation of operating cost to operating cash flows			
Net operating cost		214 850	197 265
Adjust for non-cash transactions		(8 998)	(9 156)
Adjust for movements in working capital other than cash	7	(1 596)	(2 227)
Adjust for movements in creditors over one year	11	-	10
Use of provisions	12	853	1 171
Interest element of finance lease payment		(827)	-
Net cash outflow from operating activities		204 282	187 063
Analysis of capital expenditure and financial investment			
Purchase of fixed assets		5 165	6 295
Proceeds of disposal of fixed assets		(1 180)	(408)
Net cash outflow from investing activities		3 985	5 887
Analysis of financing and reconciliation to the net cash requirement			
From DWP		209 025	196 422
Decrease/(increase) in cash		28	(1 187)
Adjustment for payments and receipts not related to supply			
Amounts due to DWP			
- received in a prior year and paid over		(787)	(2 286)
- received and not paid over		1	1
- Excess Appropriations in Aid included in income		-	786
Net cash requirement		208 267	193 736

Reconciliation of net cash outflow as per Note 10 to movement in cash as per Schedule 4 above

	2004/05 £'000	2003/04 £'000
Net cash inflow (as per Note 10)	87	46
Movement in uncleared payments (included within creditors)	(115)	1 141
(Decrease)/increase in cash in the period (as per Schedule 4)	(28)	1 187

The Notes on pages 84-103 form part of these accounts.

Health and Safety Executive: Notes to the accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2004/05 Resource Accounting Manual (RAM) (http://www.resource-accounting.gov.uk) issued by HM Treasury. The particular accounting policies adopted by HSE are described below. They have been applied consistently in dealing with the items considered material in relation to the accounts. The financial statements consolidate the figures for HSL.

The accounting policies contained in the RAM follow generally accepted accounting practice for companies (UK GAAP) to the extent that is meaningful and appropriate to the public sector.

(a) Accounts Direction

In accordance with Accounts Directions issued by the Secretary of State with the approval of the Treasury, the Health and Safety Commission and Health and Safety Executive have prepared a joint Foreword, Statement of Responsibilities and Statement on Internal Control. These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets (including the depreciated replacement cost of the specialist laboratory site at Buxton) and stocks, where material, at their value to the business by reference to their current costs. HSE has no need to produce Parliamentary control Schedules (Schedules 1 and 5) and the relevant information is contained in those schedules within DWP's accounts (refer HSC Accounts Note 2 with regard to Request for Resources).

(b) Analysis of activities

All the activities of the Executive are designed to use the measures in the Health and Safety at Work etc. Act 1974 to further the reduction of occupational accidents and disease.

(c) Government grants

Grants receivable

Pursuant to Section 43 of the Health and Safety at Work etc. Act 1974, the Commission has been financed by Request for Resources from the DWP.

The Commission pays to the Executive such sums as the Commission considers appropriate for the purpose of enabling the Executive to perform its functions. The Request for Resources is credited to the General Fund in the year in which it is received.

Grants payable

Grants payable are recorded as expenditure in the period when the underlying event or activity giving entitlement to the grant has been completed.

(d) Assets

All assets are held by the Health and Safety Executive on behalf of the Health and Safety Commission.

Items of equipment costing less than £2000 are charged to expenditure in the year of purchase, except for computer equipment (refer also Notes 6 and 20) costing over £500, and items of furniture which are grouped for capitalisation by year of acquisition.

Items of equipment purchased under research contracts and held by outside bodies are charged to expenditure in the year of purchase.

Fixed assets are capitalised at cost of acquisition and installation.

Non-property assets are revalued to open market value. Price index numbers for current cost accounting (MM17) published by the Office for National Statistics are used to estimate value where market value is not obtainable. For 2004/05 tangible fixed assets were revalued at the Balance Sheet date.

Land and buildings are valued on an existing use basis except for the specialist laboratory site at Buxton which has been included at depreciated replacement cost.

In accordance with the Resource Accounting Manual and FRS 15, professional revaluations of land and buildings will be undertaken at least every five years. The respective values of all freehold properties and only those leasehold properties that qualify as finance leases (refer accounting policy Note l) are included in the Balance Sheet. Land and buildings at Buxton were independently valued at 31 March 2005 by Jones, Lang, La Salle. The property at Carlisle was independently valued during 2000/01 by Donaldsons, Chartered Surveyors. In each case the valuations were in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. In the periods between formal valuations properties have been revalued in accordance with appropriate indices.

(e) Depreciation

Freehold land is not depreciated.

Depreciation is provided on all other tangible fixed assets from the date of acquisition.

Depreciation is calculated to write-off the replacement cost or valuation of an asset evenly over its expected useful life except for vehicles acquired for the car leasing scheme where 60% of the original cost is depreciated over the three-year life of the contract. Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to HSE respectively.

Tangible fixed assets are depreciated at the following rates to write them down to estimated residual value on a straight-line basis over their estimated useful lives.

Buildings	Freehold	over 50 years or remaining life assessed by the valuers
	Leasehold	over period of lease or to next rent review
Specialist plant		over remaining life up to 15 years
Furniture		up to 15 years
Office machinery, publicity and major scientific equipment		up to 10 years
IT equipment		up to 5 years
Printing/typesetting and telecommunications equipment		up to 7 years
Vehicles		up to 7 years
Motor vehicles leased to staff		up to 3 years

(f) Revaluation reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments. Surpluses arising on the revaluation of fixed assets are credited to the revaluation reserve. Deficits are charged to the reserve in respect of amounts previously credited; the balance of any deficit is charged to the operating cost statement.

(g) Stocks and work in progress

Stocks and work in progress are valued as follows:

- finished goods and priced goods for resale are valued at cost or, where materially different, current replacement cost, and at net realisable value only when they either cannot or will not be used. The cost of free publications is written off in the year in which it is incurred;
- work in progress is valued at the lower of cost, including appropriate overheads, and net realisable value.

(h) Foreign currency

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at the year end.

Translation differences are dealt with through the Operating Cost Statement.

(i) Research

Expenditure on research is written off in the year in which it is incurred.

(j) Capital charge

A charge, reflecting the cost of capital utilised by HSE, is included in operating costs. The charge is calculated at the Government's standard rate of 3.5% in real terms on the average of all assets less liabilities, except for donated assets and cash balances with Office of HM Paymaster General, where the charge is nil.

(k) Pension costs

Past and present employees are covered by the provisions of the Civil Service Pension Schemes which are described in Note 2. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependants' benefits. HSE recognises the expected costs of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution element of the schemes, HSE recognises the contributions payable for the year.

(l) Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by HSE, the asset is recorded as a tangible asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the Operating Cost Statement over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Operating Cost Statement on a straight-line basis over the term of the lease.

(m) Administration and programme expenditure

The Operating Cost Statement is analysed between administration and programme costs. Administration costs reflect the costs of running the organisation as defined under the administration cost-control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the Executive.

(n) Private Finance Initiative (PFI) transactions

PFI transactions (refer Note 20) have been accounted for in accordance with Treasury Technical Note No. 1 (Revised), entitled *How to Account for PFI Transactions* as required by the Resource Accounting Manual. Where the balance of risk and rewards of ownership of the PFI asset are borne by the PFI operator, the PFI payments are recorded as an operating cost. Where HSE has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract. Where at the end of the PFI contract a property reverts to HSE, the difference between the expected fair value of the residual assets on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year.

Where the balance of risks and rewards of ownership of the PFI asset is borne by HSE, the asset is recognised as a fixed asset and the liability to pay for it is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

(o) Provisions

HSE provides for legal or constructive obligations which are of uncertain timing or amount at the Balance Sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury discount rate of 3.5% in real terms.

(p) Contingent liabilities

Disclosure conforms to FRS 12, including discounting where the time value of money is material.

(q) Value Added Tax

Most of the activities of HSE are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

(r) Operating income

Operating income is income which relates directly to the operating activities of HSE. It principally comprises fees and charges for services provided on a full cost basis to external customers. Operating income is stated net of VAT.

2 Staff numbers and costs of the Health and Safety Executive

(a) Staff costs

			2004/05	2003/04
	£'000 Directly employed staff	£'000 Others	£'000 Total	£'000 Total
Wages and salaries	117 894	3 389	121 283	120 209
Social security costs	9 572	28	9 600	9 345
Other pension costs	17 243	46	17 289	16 986
Total	144 709	3 463	148 172	146 540
Less recoveries in respect of outward secondments	(399)	-	(399)	(177)
Total net costs	144 310	3 463	147 773	146 363

Note:

The Principal Civil Service Schemes (PCSPS) to which most of HSE's employees are members are unfunded multi-employer defined benefit schemes but HSE is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (http://www.civilservice-pensions.gov.uk).

For 2004/05 employer contributions of £17 078 346 were payable to the PCSPS (2003/04 - £16 958 873) at one of the four rates in the range 12-18.5% of pensionable pay, based on salary bands. Employer contributions are to be reviewed in 2005/06 following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to join a partnership pension account - a stakeholder pension with an employer contribution. For 2004/05 employer contributions of £16 706.01 (2003/04 - £16 603.37) were paid to three appointed stakeholder pension providers (refer also Note 2c).

Ten people retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £15 039 (2003/04 - information is not available).

(b) The average number of whole-time equivalent persons employed during the year

	Directly employed staff	Others	2004/05 Total	2003/04 Total
Total	3 839	122	3 961	4 090

(c) Salary and pension entitlements of the Director General

	Salary	Benefits in kind to nearest £100	Real increase in pension at 60	Total accrued pension at 60 at 31 March	CETV at 31 March 2005	CETV at 31 March 2004	Real increase in CETV
	£'000	£	£'000	£'000	£'000	£'000	£'000
Timothy Walker CB							
2004/05	145-150	-	0-2.5 plus 5-7.5 lump sum	55-60 plus 170-175 lump sum	1 042	957	40
2003/04	145-150	-	2.5-5 plus 10-12.5 lump sum	50-55 plus 155-160 lump sum	n/a	957	92

(d) Salary and pension entitlements of the Executive members

2004/05

	Salary	Benefits in kind to nearest £100	Real increase in pension at 60	Total accrued pension at 60 at 31 March	CETV at 31 March 2005	CETV at 31 March 2004	Real increase in CETV
	£'000	£	£'000	£'000	£'000	£'000	£'000
Kate Timms CB (1)	75-80	-	0-2.5 plus 2.5-5 lump sum	65-70 plus 195-200 lump sum	1 214	1 181	18
Justin McCracken	120-125	-	0-2.5 plus 2.5-5 lump sum	5-10 plus 20-25 lump sum	112	87	18
Jonathan Rees (2)	55-60	-	2.5-5	40-45	504	418	57

2003/04

	Salary	Benefits in kind to nearest £100	Real increase in pension at 60	Total accrued pension at 60 at 31 March	CETV at 31 March 2004	Real increase in CETV
	£'000	£	£'000	£'000	£'000	£'000
Kate Timms CB (1)	130-135	-	5-7.5 plus 17.5-20 lump sum	60-65 plus 190-195 lump sum	1 181	122
Justin McCracken	115-120	-	0-2.5 plus 2.5-5 lump sum	5-10 plus 15-20 lump sum	87	36

Notes:

(1) Retired 7 October 2004.
(2) Appointment commenced 13 September 2004.

Details of HSL's senior management emoluments can be found in their own published accounts.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the

CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Salary *'Salary' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.*

None of the Executive members received Benefits in Kind.
The Director General is appointed for a fixed term of up to five years. The other Executive members are appointed for a fixed term of up to three years. None of the members receive any predetermined compensation payment on termination of office.

There were no employer contributions to partnership pension accounts during the year.

Pension *The Executive are all members of the PCSPS.*

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account).

(a) Classic scheme

Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5% of pensionable earnings. On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

(b) Premium scheme

Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of 3/80ths of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5% of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at the rate of 3/8ths of the member's pension (before any commutation). On death in service, the scheme pays a lump sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

(c) Classic plus scheme

This is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as classic.

Pensions payable under classic, premium and classic plus are increased in line with the Retail Prices Index.

(d) Partnership pension account

This is a stakeholder-type arrangement where the employer pays a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up to 25% of the fund as a lump sum.

3 Non-staff administration costs to the Health and Safety Executive

	2004/05 £'000	2003/04 £'000
Rentals under operating leases:		
Hire of plant and machines	144	169
Other operating leases	9 998	8 977
PFI service charges:		
Off-balance sheet contracts	23 987	17 680
On-balance sheet PFI contracts	2 750	5
Auditor's remuneration	83	84
Non-cash items:		
Depreciation and amortisation of fixed assets	5 997	6 321
Cost of capital charge	1 329	1 384
Loss on revaluation of fixed assets	67	151
Profit/loss on sale of fixed assets	(61)	212
Provisions: provided in year	1 117	887
Other non-cash items	93	90
Other expenditure	49 149	45 609
	94 653	81 569

Notes:

Travel, subsistence and hospitality expenses for the Executive members were £37 226 (2003/04 - £39 152), while the total for all other staff was £11 003 298 (2003/04 - £11 392 420).
There were no payments made to the NAO for non-audit work carried out in the year.

Analysis of other expenditure

	2004/05 £'000	2003/04 £'000
Accommodation	15 400	13 797
Travel and subsistence	11 041	11 432
Other	22 708	20 380
	49 149	45 609

4 Net programme costs

	2004/05	2003/04
	£'000	£'000
Research	16 566	16 248
Publicity, marketing and distribution	8 980	10 956
Other	4 304	2 399
Sub total	29 850	29 603
Less programme income	(7 412)	(8 365)
Net total	22 438	21 238

5 Income

The activities of the Executive include certain chargeable services, each of which is subject to a financial objective of full cost recovery. Memorandum Trading Accounts are prepared where the cost of a particular service exceeds £100 000. The charges for these activities, which are exclusive of VAT, include provision for the recovery of notional interest, apart from the licensing of nuclear installations where the notional charge is not an expense that can be recovered under the Nuclear Installations Act 1965.

	Cost	Income	Surplus/ (Deficit)	Surplus/ (Deficit)
			2004/05	2003/04
	£'000	£'000	£'000	£'000
(i) HSE fees and charges				
Licensing of nuclear installations	21 692	21 692	-	-
Safety-related research in the nuclear industry	1 208	1 208	-	-
Genetically modified organisms	130	102	(28)	(57)
First-aid approvals	233	146	(87)	(102)
Asbestos Licensing Unit	284	280	(4)	(45)
FEPA fees and levy	1 068	1 068	-	-
Authorisation of biocides and pesticides	279	24	(255)	-
Notification of new substances	267	302	35	66
Control of major accident hazards	3 432	3 392	(40)	79
Enforcement of railway safety legislation	6 761	6 708	(53)	196
Enforcement of offshore safety legislation	7 756	8 030	274	338
Enforcement of Gas Safety Management Regulations	225	213	(12)	(14)
	43 335	43 165	(170)	461
Health and Safety Laboratory external customers	3 263	3 263	-	-
Health and Safety Laboratory EU income	444	444	-	-
Other fees and agency charges	-	173		
Total fees and charges at 31 March 2005	**47 042**	**47 045**		
Total fees and charges at 31 March 2004	48 339	48 997		
(ii) HSE sales and other income				
Sale of publications	3 418	4 383	965	1 372
Other sales/income	-	5 741		
EU income	257	257		
Total sales and other income at 31 March 2005	**3 675**	**10 381**		
Total sales and other income at 31 March 2004	4 843	11 273		

This analysis conforms to the HM Treasury's Fees and Charges Guide *and is not intended to comply with SSAP 25 Segmental Reporting.*

Rents receivable are as follows

	2004/05	2003/04
	£'000	£'000
Rents from other government departments	31	31
Rents from external tenants	28	-
Total	59	31

6 Tangible fixed assets

	Land & Buildings	Information Technology	Motor Vehicles	Plant & Machinery	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation at 1 April 2004	20 659	3 589	3 465	13 973	10 986	924	53 596
Reclassifications (Cost)	111	36	-	62	-	(209)	-
Additions in year	55 851	415	931	1 109	3 402	42	61 750
Revaluations in year	5 772	(73)	41	(83)	485	-	6 142
Disposals during year	(6 320)	(555)	(1 103)	(1 453)	(3 060)	-	(12 491)
Balance at 31 March 2005	76 073	3 412	3 334	13 608	11 813	757	108 997
Depreciation at 1 April 2004	7 289	2 963	1 350	9 381	5 437	-	26 420
Charge in year	2 909	311	560	1 096	1 121	-	5 997
Revaluations in year	(111)	(32)	14	(45)	159	-	(15)
Disposals during year	(1 576)	(509)	(665)	(1 312)	(2 772)	-	(6 834)
Accumulated depreciation at 31 March 2005	8 511	2 733	1 259	9 120	3 945	0	25 568
Net book value at 31 March 2005	67 562	679	2 075	4 488	7 868	757	83 429
Net book value at 31 March 2004	13 370	626	2 115	4 592	5 549	924	27 176
Asset financing							
Owned	10 295	679	2 075	4 488	5 415	42	22 994
Finance leased							
On-balance sheet PFI contracts	57 267	-	-	-	2 453	-	59 720
PFI residual interests	-	-	-	-	-	715	715
Net book value at 31 March 2005	67 562	679	2 075	4 488	7 868	757	83 429

Analysis of land and buildings between freehold, long and short leasehold

The net book value of land and buildings at 31 March 2005 comprises:

	2004/05	2003/04
	£'000	£'000
Freehold	4 819	5 727
Long leasehold	-	-
Short leasehold	62 743	7 643
	67 562	13 370

7 Movements in working capital other than cash

	2004/05	2003/04
	£'000	£'000
Decrease/(increase) in stocks/work-in-progress	635	(372)
Increase in debtors	(175)	(1 399)
Increase in creditors falling due within one year	561	2 594
Net (increase)/decrease in working capital other than cash	1 021	823
Less decrease in amounts payable to DWP	785	1 499
Less (increase) in capital creditor	(210)	(95)
	1 596	2 227

8 Stocks and work-in-progress

	2004/05	2003/04
	£'000	£'000
Consumables	59	68
Work-in-progress	677	681
Finished stock for sale	884	1 506
	1 620	2 255

9 Debtors

	2004/05	2003/04
	£'000	£'000
Debts falling due within one year:		
Trade debtors	5 598	7 169
Imprest/advances	546	598
Prepayments	2 175	2 156
Taxation: VAT debtor	3 953	2 728
Other debtors	6	10
Accrued income	10 036	9 312
Sub total	**22 314**	21 973
Debts falling due after more than one year:		
PFI prepayment	4 383	-
Other prepayments	137	84
Imprests/advances	258	322
Sub total	**4 778**	406
Total	**27 092**	22 379

Note:

The imprests/advances total of £803 994 (2003/04 - £920 667) includes £341 939 (2003/04 - £427 302) advances of salary for house purchase, £197 804 (2003/04 - £231 485) advances of salary for season ticket purchase, £146 387 (2003/04 - £153 028) imprests and £117 864 (2003/04 - £108 852) other advances. There were 53 officers who had £2500 or more outstanding at 31 March 2005 which totalled £323 557 (2003/04 - £382 039 - relating to 57 officers).

10 Cash at bank and in hand

	2004/05	2003/04
	£'000	£'000
Balance at 1 April	137	91
Net cash inflow	87	46
Balance at 31 March	**224**	137
The following balances at 31 March are held at:		
Office of HM Paymaster General	-	-
Commercial banks and cash in hand	224	137
	224	137

11 Creditors

	2004/05	2003/04
	£'000	£'000
Amounts falling due within one year:		
Trade creditors - non capital	495	895
Trade creditors - capital	332	121
Other creditors	29	77
Accruals and deferred income	11 336	9 432
Receipts payable to DWP	1	787
	12 193	11 312
Amounts falling due after more than one year:		
Imputed finance lease element of on-balance sheet PFI contracts	57 607	-
Total	69 800	11 312

12 Provisions for liabilities and charges

	Early departure costs	Dilapidations	Other	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2004	1 487	712	1 236	3 435
Movement between provisions	173	-	(173)	-
Increase in provision	334	525	354	1 213
Provisions not required written back	(35)	-	(41)	(76)
Amounts utilised	(636)	-	(217)	(853)
Unwinding of discount	25	-	-	25
Balance at 31 March 2005	1 348	1 237	1 159	3 744

Early departure costs

HSE meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early. HSE provides for this in full when the early retirement programme becomes binding on HSE by establishing a discounted provision. In past years HSE paid in advance some of its liability for early retirement and the balance remaining is treated as a prepayment.

Legal claims

Provision has been made for various legal claims against HSE. The provision (which is included in 'other') reflects all known claims where legal advice indicates that it is more than 50% probable that the claim will be successful and the amount of the claim can be reliably estimated. No reimbursement will be received in respect of any of these claims.

Legal claims which may succeed but are less likely to do so or cannot be reliably estimated are disclosed as contingent liabilities in Note 21.

13 Reserves

	2004/05	2003/04
	£'000	£'000
Balance at 1 April	2 868	3 227
Arising on revaluation during the year (net)	6 224	31
Transfer to general fund of realised element of revaluation reserve	(1 767)	(390)
Balance at 31 March	7 325	2 868

14 Capital commitments

	2004/05	2003/04
	£'000	£'000
Contracted commitments for which no provision has been made	326	495

15 Losses and special payments

	2004/05	2003/04	2004/05	2003/04
	No. of cases	No. of cases	£'000	£'000
Cash	24	8	6	2
Claims abandoned	176	144	130	198
Administrative losses	1	-	-	-
Fruitless payments	25	43	6	24
Stores	-	-	507	317
Special payments	33	52	252	28
	259	247	901	569

Special payments made by HSE to staff and members of the public totalled 33 cases in 2004/05 to the value of £251 701. Included in this figure is a payment of £230 000 plus £13 125 recoverable benefits that was paid to a former employee who was exposed to asbestos during her employment with HSE, and developed mesothelioma.

16 Commitments under operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires:

	2004/05		2003/04	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases expiring within:				
One year	685	44	755	33
After one year but not more than five years	768	4	696	128
More than five years	4 425	-	8 761	-
	5 878	48	10 212	161

17 Finance leases

HSE's obligations under finance leases are as follows:

	2004/05	2003/04
	£'000	£'000
Rentals due within one year	-	12
Rentals due after one year but within five years	-	-
Rentals due thereafter	-	-
	-	12
Less interest element	-	2
	-	10

18 Reconciliation of net operating cost to changes in general fund

	2004/05	2003/04
	£'000	£'000
Net operating cost for the year (Schedule 2)	(214 850)	(197 265)
Net parliamentary funding	209 025	196 422
Excess appropriations in aid to be surrendered to DWP	-	(786)
Transferred to general fund in respect of realised element of revaluation reserve (Note 13)	1 767	390
Release from general fund (Chairman's pension)	-	(83)
Release from general fund (other)	-	(3)
Non-cash charges (DWP services)	(107)	90
Cost of capital	1 329	1 384
Net (decrease)/increase in general fund	(2 836)	149
General fund at 1 April	34 332	34 183
General fund at 31 March (Schedule 3)	31 496	34 332

19 Related party transactions

The Health and Safety Executive is an Executive Non-Departmental Public Body with Crown status and is sponsored by DWP.

DWP is regarded as a related party. During the year, HSE had several transactions with DWP totalling £721 000 (2003/04 - £590 000) that mainly related to the provision of pension services and premises costs. HSC and HSE did not have material transactions with other entities for which the DWP is regarded as the parent Department.

In addition, HSE had a number of material transactions with other government departments and other central government bodies. The significant transactions have been with the Central Office of Information (expenditure of £2 188 404, 2003/04 - £288 000), Civil Service College (£290 000, 2003/04 - £302 000), Government News Network (£593 000, 2003/04 - £541 000), Treasury Solicitor (£587 000, 2003/04 - £339 000), Office for National Statistics (£355 000, 2003/04 - £242 000), DEFRA (£443 000, 2003/04 - £320 000) and UKAEA-Fusion (income of £2 333 000, 2003/04 - £1 224 000) mainly relate to premises, research, training, computer, legal services and administrative expenditure together with relevant income from the provision of health and safety advice and services. None of the Executive members, the Director General or senior managers, or any person connected with these, had any interest in any material transactions with HSE or received benefits from HSE suppliers during the year.

20 Commitments under PFI contracts

HSE has entered into the following PFI contract.

Off-balance sheet

IT services

In June 2001, HSE signed a 10-year contract with a partner (Logica CMG with Computacenter as the key sub-contractor) for the provision of information and communications technology and Information Strategy (IS) service across all HSE sites and to all HSE users.

The Agreement is based on a model agreement for PFI contracts. Typically in PFI deals, the contractor provides services and risk is transferred to the party best able to manage it. The partner has taken over ownership of HSE's IT hardware and some software assets and is responsible for providing all future assets needed to deliver the IT service.

If Logica CMG were to meet the performance standards in the contract and the transaction levels and business developments fall within the agreed parameters, the payments under the contract at constant price levels would be:

	2004/05	2003/04
	£'000	£'000
Amounts falling due within one year	13 589	12 997
Net present value of amounts falling due within two to five years	52 734	50 439
Net present value of amounts falling due within six to ten years	19 975	35 699

A discount rate of 3.5% has been used to derive the net present cost of the non-discretionary payment streams in years two to ten.

The estimated capital value of the contract is £23 million.

On-balance sheet

With effect from 28 October 2004, HSL took occupation of serviced accommodation for laboratory and support functions provided under a 32 years and 29 weeks term 'design, build, finance and operate' contract with ICB Ltd. The balance of the risks and rewards of ownership of the property, situated at Harpur Hill, Buxton, is borne by HSL and hence the buildings and furniture provided are included in HSL's balance sheet as fixed assets. The liability to pay for these assets is in substance a finance lease obligation. Contractual payments comprise an imputed finance lease charge and a service charge.

Imputed finance lease obligations under on-balance sheet PFI contracts

	£'000
Rentals due within one year 2005/06	3 910
Rentals due within two to five years	19 381
Rentals due thereafter - 24 years and 7 months	183 187
Sub total	206 478
Less interest element	(148 871)
Total	57 607

The total amount charged to HSL's Income and expenditure account in respect of the service element of on-balance sheet PFI transactions was £1 260 174 and the value of the payments to which HSL is committed during 2005/06, subject to ICB achieving contracted levels of service and availability, is £3 062 199, this commitment expiring within 30 years.

21 Contingent liabilities

Thames Trains has discontinued action against HSE and we are in the process of reclaiming our costs, an estimate of which has been included in other income.

HSE is currently defending two equal-pay cases. In October 2003, HSE successfully appealed at an Employment Appeal Tribunal against an Employment Tribunal decision handed down in July 2002. That appeal was subject to cross appeal, and in October 2004 the Court of Appeal referred a point of law to the European Court of Justice. Depending upon the outcome of that reference the case could be decided in HSE's favour or remitted to an Employment Tribunal to be heard again. The legal process could, therefore, continue for a considerable period of time.

HSE won another equal-pay case in December 2003 as a result of the Employment Appeal Tribunal decision but that case is subject to a cross appeal from the other side, which has been stayed pending the outcome of the first case. If we were to lose these cases, the financial consequences would depend on the nature of the final judgement in relation to the two employees who brought the cases, and the degree to which the judgements would apply more widely in HSE.

An increased provision for the staff-related costs of relocation to Buxton is included in these accounts, and this is based on information available at the time of preparation. Qualifying staff had to decide within the six month period after the date of their November 2004 transfer, whether to relocate. Following the expiry of this period, there is no longer considered to be a significant contingent liability.

22 Financial instruments

FRS 13 (*Derivatives and Other Financial Instruments*) requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of our activities and the way in which government bodies are financed, HSE is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in their ability to create or change risk than would be typical of the listed companies to which FRS 13 mainly applies. HSE has no powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing HSE in undertaking its activities.

Financial assets

These are non-interest bearing imprests and advances to staff falling due after more than one year, as detailed in Note 9. As at 31 March 2005, the weighted average period to maturity was 5.0 years (2003/04 - 5.0 years).

Foreign currency risk

HSE's exposure to foreign currency risk is not significant. Disclosure of debtors and creditors due and payable after one year is made in the respective Notes to the Accounts.

Fair values

The fair values of HSE's financial assets has been calculated as £231 875 at 31 March 2005. (£290 000 at 31 March 2004). The basis of fair valuation has been to discount cash flows by the real rate set by HM Treasury (currently 3.5%).

Liquidity risk

HSE's net revenue resource requirements are financed by resources voted annually by Parliament. HSE is not therefore exposed to significant liquidity risk.

Interest rate risk and profile

All of HSE's financial assets and liabilities carry nil rates of interest and hence are not exposed to significant interest rate risk.

23 Intra-government balances

2004/05	Debtors amounts falling due within one year	Debtors amounts falling due in more than one year	Creditors amounts falling due within one year	Creditors amounts falling due in more than one year
	£'000	£'000	£'000	£'000
Balances with other central government bodies	4 779	-	221	-
Balances with local authorities	250	-	247	-
Balances with NHS trusts	30	-	33	-
Balances with public corporations and trading funds	479	-	-	-
Balances with bodies external to government	16 776	4 778	11 692	57 607
At 31 March 2005	22 314	4 778	12 193	57 607

2003/04	Debtors amounts falling due within one year	Debtors amounts falling due in more than one year	Creditors amounts falling due within one year	Creditors amounts falling due in more than one year
	£'000	£'000	£'000	£'000
Balances with other central government bodies	2 950	-	-	-
Balances with local authorities	119	-	-	-
Balances with NHS trusts	5	-	1	-
Balances with public corporations and trading funds	12	-	-	-
Balances with bodies external to government	18 887	406	11 311	-
At 31 March 2004	21 973	406	11 312	-

A full analysis of total debtors and creditors between public sector balances has been undertaken in 2004/05. A comparative analysis for 2003/04 was limited to trade debtors, trade creditors and VAT only. The other elements (refer Notes 9 and 11) have been assumed to be balances external to Government.

Glossary of abbreviations

A

ACAS	Advisory, Conciliation and Arbitration Service
ACDP	Advisory Committee on Dangerous Pathogens
ACDS	Advisory Committee on Dangerous Substances
ACGM	Advisory Committee on Genetic Modification
ACOP	Approved Code of Practice
ACTS	Advisory Committee on Toxic Substances
ADC	Association of District Councils
AFAG	Arboriculture and Forestry Advisory Group
AIAC	Agriculture Industry Advisory Committee
AO	Accounting Officer
ASAG	Agriculture Safety Advisory Group
ATP	Adaptation to Technical Progress

B

BNFL	British Nuclear Fuels plc
BOHRF	British Occupational Health Research Foundation
BP	British Petroleum
BREEAM	Building Research Establishment's Environmental Appraisal Method
BTP	British Transport Police

C

CBI	Confederation of British Industry
CCTV	Closed Circuit Television
CD	Consultation Document
CDM	Construction (Design and Management) Regulations 1994
CETV	Cash Equivalent Transfer Value
CFD	Computational Fluid Dynamics
CHaSPI	Corporate Health and Safety Performance Index
CHSC	Corporate Health and Safety Committee
CIA	Chemical Industries Association
CIEH	Chartered Institute of Environmental Health
CITB	Construction Industry Training Board
COMAH	Control of Major Accident Hazards Regulations
CONIAC	Construction Industry Advisory Committee
COSAS	Corporate Science and Analytical Services Directorate
COSHH	Control of Substances Hazardous to Health Regulations
CSCS	Construction Skills Certification Scheme
CTG	Corporate Topic Group
CTSA	Channel Tunnel Safety Authority

D

DD	Discussion Document
DDG	Deputy Director General
DEFRA	Department for Environment, Food and Rural Affairs
DfT	Department for Transport
DG	Director General
DoH	Department of Health
DSE	Display screen equipment
DSEAR	Dangerous Substances and Explosive Atmospheres Regulations
DTI	Department of Trade and Industry
DWP	Department for Work and Pensions

E

EA	Environment Agency
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EFF	The organisation for manufacturing, engineering and technology-based business
EMAS	Employment Medical Advisory Service
EMM	Enforcement Management Model
EMU	European Monetary Union
EPS	Enforcement Policy Statement
ERA	European Railway Agency
ERTMS	European Rail Traffic Management Systems
ESR	Existing Substances Regulations
EU	European Union

F

FAAMS	First Aid Approvals and Monitoring Section
FASTCO	Forestry and Arboriculture Safety Training Council
FaTaLs	Falls, Transport and Lifting key safety issues
FAQ	Frequently Asked Question
Fit3	Fit for work, Fit for life, Fit for tomorrow Strategic Delivery Programme
FOD	Field Operations Directorate
FOI	Freedom of Information
FOM	Faculty of Occupational Medicine
FRS	Financial Reporting Standard

G

GB	Great Britain
GDP	Gross Domestic Product
GLA	Greater London Authority
GMO	Genetically Modified Organism
GP	General Practitioner
GPS	Global Positioning System

H

HAV	Hand Arm Vibration
HELA	Health and Safety Executive/Local Authorities Enforcement Liaison Committee
HIAG	Health in Agriculture Group
HID	Hazardous Installations Directorate
HIFEAC	Higher and Further Education Advisory Committee -
HM	Her Majesty's
HMRI	Her Majesty's Railway Inspectorate
HPA	Health Protection Agency
HR	Human Resources
HRST	Human Resource Service Transformation
HSAO	Health and Safety Awareness Officer
HSC	Health and Safety Commission
HSE	Health and Safety Executive
HSL	Health and Safety Laboratory
HSW Act	Health and Safety at Work etc Act 1974

I

IAC	Industry Advisory Committee
IAEA	International Atomic Energy Agency
ICI	Imperial Chemical Industries
IFRLUP	Implementation of the Fundamental Review of Land Use Planning Project
ILGGRI	International Liaison Group of Government Railway Inspectors
IOM	Institute of Occupational Medicine
IT	Information Technology
ISO	International Standards Organisation

L

LA	Local Authority
LACoRS	Local Authorities Coordinators of Regulatory Service
LAN	Local Area Network
LDA	London Development Agency
LUL	London Underground Limited

M

MAC	Manual Handling Assessment Chart
MIC	Mining Industry Committee
MORI	Market and Opinion Research International
MSD	Musculoskeletal Disorder

N

NDA	Nuclear Decommissioning Authority
NAO	National Audit Office
NDA	Nuclear Decommissioning Authority
NHS	National Health Service
NII	Nuclear Installations Inspectorate
NLCSG	National Level Crossing Safety Group
NONS	Notification of New Substances Regulations
NSD	Nuclear Safety Directorate
NuSAC	Nuclear Safety Advisory Committee

O

OEL	Occupational Exposure Limit
Ofgem	Office of Gas and Electricity Markets
OGC	Office of Government Commerce
OHA	Occupational Health Advisor
OHAC	Occupational Health Advisory Committee
OHSR	Occupational Health, Safety and Return to Work
OIAC	Offshore Industry Advisory Committee
OPM	Output Performance Measures
OPSP	Operational Policy and Support Division
ORR	Office of the Rail Regulator
OSD	Offshore Safety Division

P

PABIAC	Paper and Board Industry Advisory Committee
PADHI	Planning Advice for Developments near Hazardous Installations
PCSPS	Principal Civil Service Pension Scheme
PFI	Private Finance Initiative
PIAC	Printing Industry Advisory Committee
PPP	Public Private Partnership
PSA	Public Service Agreement

Q

QCA	Qualifications Curriculum Authority

R

RAG	Red, Amber or Green
RAIB	Rail Accident Investigation Branch
RAM	Resource Accounting Manual
RDG	Resource Delivery Group
RDP	Rail Delivery Programme
REACH	European Commission's Strategy for a Future Chemicals Policy
REFIT	Business Consultancy & ICT Services Partner (Retendering for IT)
REHIS	Royal Environmental Health Institute of Scotland
RIA	Regulatory Impact Assessment
RIAC	Railway Industry Advisory Committee
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RIMINI	Risk Minimisation (Network Rail's company standard)
RIMP	Risk Management Improvement Plan
ROGS	Railways and Other Guided Transport Systems (Safety) Regulations
ROSPA	Royal Society for the Prevention of Accidents
RPD	Resources and Planning Directorate
RRAP	Regulatory Reform Action Plan
RRO	Regulatory Reform Orders
RSSB	Rail Safety and Standards Board
RTA	Road Traffic Accident
RUBIAC	Rubber Industry Advisory Committee

S

SACGM(CU)	Scientific Advisory Committee on Genetic Modification (Contained Use)
SAD	Safety Awareness Day
SAMNET	Safety Management and interoperability thematic Network for railway systems
SAPs	Safety Assessment Principles
SAT	Slips Assessment Tool
SCS	Senior Civil Service
SDP	Strategic Delivery Programme
SEAC	Schools Education Advisory Committee
SERTUC	Southern and Eastern Region Trades Unions Congress
SHAD	Safety and Health Awareness Day

SID	Strategy and Intelligence Division
SME	Small and Medium-sized Enterprise
SPAD	Signal Passed at Danger
SPg	Strategic Programme
SR2004	Spending Review 2004
SRA	Strategic Rail Authority
SRO	Science and Research Outlook
STEP	Strategic Enabling Programme

T

TASC	Training Approval Services Consortium
TEXIAC	Textiles Industry Advisory Committee
TPWS	Train Protection Warning System
TU	Trade Union
TUC	Trades Union Congress

U

UCATT	Union of Construction, Allied Trades and Technicians
UCE	University of Central England
UK	United Kingdom
UKAEA	United Kingdom Atomic Energy Authority
UK GAAP	United Kingdom Generally Accepted Accounting Practice
UKOOA	United Kingdom Offshore Operators Association
UKPIA	United Kingdom Petroleum Industry Association

V

VAT	Value Added Tax

W

WSA	Workers' Safety Advisor
WWT	Working Well Together

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